

Policy and Development

– A study of outbound tourism in China 1978-2008

Shujie Li

University of Tampere

Department of History and Philosophy

Abstract

Along with the development of tourism itself, research into the subject has made great leaps since the Second World War. Tourism has been widely recognized as very complex, since many other industries are involved in it, and tourism policy has even been thought of as ‘not only a continuation of politics’ but also an integral part of the world’s political economy.’ Therefore, the study of it should be tightly linked with history, because ‘there is no way that contemporary international political economy can be understood without making some effort to dig back to its roots, to peer behind the curtain of passing time into what went before’. Based on these viewpoints, the aim of my study is focused on the relationship between the miraculous development and policy adjustment in Chinese outbound tourism in the past thirty years (1978-2008). The heart of the study is an analysis of the change and impact of tourism policies on the process of development of outbound tourist industry at different stages after the implementation of reform and the open door policy. Firstly, regarding the extraordinary period (1978-1996) of the renaissance in tourism under the policy vacuum, possible reasons to limit the increase in outbound tourist were analyzed from both an economic and political angle. Secondly, in order to explore the reasons for the boom in tourism from China since the turn of the century (1997-2005), a detailed comparison of most important regulations concerning outbound tourism was made as well as an analysis of what lay behind the launching of the official policy. Thirdly, the newest policy (2005-2008) of outbound tourism in China was discussed in relation to the new challenges for a strategy on tourism posed by globalization. Through the study, the author tries to identify clear traces of the development of outbound tourism and the adjustment of tourism policy and the relationship between them.

Since 1978 China has experienced a great change both in social politics and the national economy. In 2008 the roots of the command economy had still not disappeared completely and a market economy had not quite taken over. As a result, policy-making and the development of the tourism industry in China occurred within a special and complex environment. Although some restrictions on outbound travel have been moved in order to meet market demand, the shadow of the command economy are still marks an impact on the practice of outbound tourism. This reflected the situation of China which was being affected by both socialism and capitalism. Consequently, tourism policy still included elements of the command economy, while it has absorbed some principles of market economy as well. However, due to the gradual adjustment of policy, the industry of outbound tourism of P. R. China has experienced an unparalleled revolution, its miraculous effects clear visible. In particular, the new regulations that have been issued indicate that the policy towards outbound travel has been largely changed from restricted to open. In addition to that, the discussion of new tourism strategies revealed that the industry of outbound tourism has been recognized as a

comprehensive function, not simply as a political implement. Most importantly, this study showed that the policy of outbound tourism has been increasingly market oriented rather than maintaining its traditional form under planned control; consequently the industry of outbound travel has been stimulated along with it.

Contents

Abstract	i
Contents	iii
Figures	v
Tables	vi
Abbreviations	vii
Chapter 1 Introduction	1
<i>1.1 Background to the Research Problem.....</i>	<i>1</i>
1.1.1 The general development of international tourism after World War II	1
1.1.2 The dramatic increase in Chinese tourists numbers since the end of the 20th century.....	5
<i>1.2 Aims and Objectives of the Study</i>	<i>6</i>
<i>1.3 Research Methods and Sources</i>	<i>9</i>
<i>1.4 The Outline of the Thesis</i>	<i>11</i>
<i>1.5 Research on Tourism Policy</i>	<i>12</i>
1.5.1 International discussion of tourism policy	12
1.5.2 The achievement of tourism research in China	16
<i>1.6 The System of Tourism Administration in China</i>	<i>20</i>
<i>1.7 Limitations and Definitions.....</i>	<i>21</i>
Chapter 2 A Historical Review of Outbound Tourism in China	27
2.1 Outbound Tourism before 1840	27
2.2 The Advent of the Tourism Industry 1840-1949.....	30
2.3 Tourism in New China 1949-1978	38
Chapter Summary: Politics and Outbound Travel in China	42
Chapter 3 Attempts at Outbound Tourism under the Policy Vacuum (1978-1996).....	45
3.1 Inbound Tourism and the Crucial Task of Reform and Openness	45
3.2 Preferential Policy and the Rapid Development of Inbound Tourism	50
3.3 The Promotion of Policy and the Boom in Domestic Tourism	53
3.4 Attempts at Outbound Tourism under the Policy Vacuum	55
3.4.1 Travel to visit relatives abroad	56
3.4.2 Borderland travel.....	57
3.4.3 Imbalances in tourism	58
3.5 An Analysis of Tourism Policy in China 1978-1996	61
3.5.1 Policy vacuum means restriction.....	61
3.5.2 Why outbound tourism was restricted.....	64
Chapter Summary: Extraordinary Outbound Travel under the Policy Vacuum	69
Chapter 4 The Launching and Adjustment of a Policy of Outbound Tourism (1997-2005).....	70
4.1 The Launching of the Policy towards Outbound Tourism.....	70

4.1.1 <i>Interim Measures for the Administration of the Overseas Tours at one's Expenses of Chinese Citizens' in 1997</i>	70
4.1.2 Problems in the market of overseas travel caused by ' <i>Interim Measures</i> '	73
4.1.3 ' <i>Measures for the Administration of the Overseas Tours of Chinese Citizens</i> ' and the adjustment of policy on outbound tourism in 2002	75
4.2 <i>The Influence of Tourism Policy 1997-2005</i>	80
4.3 <i>The background to the Launching of a Policy on Outbound Tourism</i>	84
4.3.1 The rapid development of the domestic economy	85
4.3.2 The promotion of reform and the change in ideology	88
4.3.3 International forces	91
Chapter Summary: Policy and the Fast Development of Outbound Travel	96
Chapter 5 The New Policy on Outbound Tourism 2005-2008	97
5.1 <i>The New International Environment of Globalization</i>	97
5.2 <i>New Opportunities for Outbound Tourism Facing the Globalization</i>	98
5.2.1 The increase in business travel and "official inspections"	99
5.2.2 The expansion of leisure travel abroad	100
5.2.3 The appreciation of RMB and mass outbound travel	102
5.3 <i>The New Tourism Strategy and the New Policy of Outbound Tourism</i>	104
5.3.1 A new understanding of tourism	104
5.3.2 The new strategy of building a great tourism nation	104
5.3.3 The new policy of outbound tourism	105
5.3.4 Different opinions of the most recent tourism policy	106
5.4 <i>Several New Regulations Concerning Outbound Tourism</i>	111
5.5 <i>The New Leap of Outbound Travel</i>	118
Chapter Summary: The New Policy and the New Flight of Outbound Travel	119
Chapter 6 Conclusions	121
References	125

Figures

Figure 1-1 Classification of tourism according to the purpose of travel	23
Figure 2-1 Map of Zhang Qian to West Region	28
Figure 2-2 The rebuilding of Zheng He's ship	30
Figure 2-3 The temple for Zheng He in Thailand	30
Figure 2-4 Some of the first Chinese migrant workers in Gold Rush in California of U.S. A.....	33
Figure 2-5 The comparison of rate of travel abroad between China and United States	33
Figure 2-6 First students abroad of China.....	36
Figure 2-7 Mao Zedong interviewing Hong Weibing on the Tiananmen.....	41
Figure 2-8 The business trip of First lady -Wang Guangmei in 1963	42
Figure 2-9 Wang Guangmei-First lady in the Great Culture Revolution	42
Figure 3-1 The increase in tourism income and domestic tourist numbers: 1985-1996.....	55
Figure 3-2 Comparison of business and private tourist numbers 1993-1996	60
Figure 4-1 The sources of outbound tourists 1996-2005	83
Figure 4-2 The reserves of foreign exchange in China 1978-2003.....	94

Tables

Table 1-1 Distribution of tourism articles by Chinese writers in main international magazines.....	19
Table 1-2 Classification of the articles in Table 1-1	20
Table 2-1 the comparison of rate of outbound people between China and United States	34
Table 2-2 The branches of the China Travel Service.....	38
Table 2-3 The principle of the initial diplomacy of P.R. China.....	39
Table 3-1 Visitor arrivals in China 1978-1995	52
Table 3-2 International Tourism Receipts 1978—1996	53
Table 3-3 The number of domestic tourists and the income from tourism: 1985-1996	55
Table 3-4 Comparison of in-out tourist numbers (1993-1996).....	59
Table 3-5 The number of Chinese citizens abroad through travel agents during 1993 – 1996	60
Table 3-6 The reserve of foreign exchange of China 1950-2005	66
Table 3-7 Chinese income and Engel coefficient 1991-2002	67
Table 3-8 GDP of China 1978-1996	68
Table 4-1 ADS of China 1983-2005	78
Table 4-2 The number of outbound Chinese 1996-2005	82
Table 4-3 Comparison of the three markets of the tourism industry of China 2001-2005	84
Table 4-4 GDP/ person and the income of urban citizens of China 1992-2004	87
Table 5-1 Members of the Chinese leadership who had studied abroad in 2005	102
Table 5-2 The three tourists markets in 2006, 2007 and 2008.....	118
Table 5-3 Statistics of outbound tourists in 2006, 2007&2008	119

Abbreviations

ADS: Authoritative Destination System

BTT: Bureau of Travel and Tourism

CCID: China's Center of Information Development

CCP: Chinese Communist Party (Gong Chan Dang)

CEO: Chief Executive Officer

CITS: Chinese International Travel Service

CNP: Chinese Nationalist Party (Guo Min Dang)

CNTA: National Tourism Administration of the People's Republic of China

GCR: Great Culture Revolution (Wen Hua Da Ge Ming)

CTA: China's Travel Agency

CTS: China Travel Service

CYTS: China Youth Travel Service

FE: Foreign Exchange

FEC: Foreign Exchange Control

FM: Four Modernizations

FYP: Five-Year Plan

GDP: Gross Domestic Product

GDS: Global Distribution System

IM: *Interim Measures of Chinese Citizen Travels abroad at Their Own Expense*

NICs, Newly Industrializing Countries

PGDP: Per Capita GDP

RFE: Reserve of Foreign Exchange

RMB: Chinese Yuan (Ren Min Bi)

SST: Speech of Southern-Tour

SWW: the Second World War

TPS of 11th CCCP: Third Plenary Session of the 11th Congress of Chinese Communist Party

UNESCO: United Nations Educational, Scientific, and Cultural Organization

VRT: Travel of Visiting Relations

VFR: Visiting Friends and Relatives

WTO: World Trade Organization

Chapter 1 Introduction

1.1 Background to the Research Problem

World tourism is like a huge stage and all countries are playing various parts on it. ‘The performance is recommendable in view of the fact that China is a latecomer on the stage of world tourism, and it is mainly since the 1980s’.¹ As is well known worldwide; Chinese tourism has seen an unprecedented growth in the last three decades. The Vision 2020 of the WTO places China at number one in the top ten world destinations and fourth in the list of tourist-generating countries. The growth in Chinese outbound tourist especially has been in a very real sense, a case of the few to many. Such a fast growth is not the outcome of one or two factors, but of the contribution of different and varied factors ranging from political environment to economic development. The study of tourism policy enables us to understand the rationale behind the dramatic and dynamic evolution of outbound tourism in China, which probably sets a successful precedent for other developing countries.

1.1.1 The general development of international tourism after World War II

According to materials from the World Tourism Organization, there are three basic forms of tourism: domestic tourism, inbound tourism and outbound tourism. Inbound and outbound tourism make up international tourism, which means a form of travel across national boundaries.² Compared to domestic tourism, the preconditions for international tourism are usually much more complex and its costs are higher. Therefore, the boom of international tourism came later than other kinds of tourism in the world generally. The dynamic boom in international tourism happened after the Second World War or as Ray put it, ‘the mass tourism that exists in the world today is a phenomenon of the post-industrial society of the latter half of the twentieth century’.³ Before the Second World War outbound travel was regarded as luxurious consumption and beyond the means of ordinary people. Due to its high cost, outbound tourism was always associated with the rich class and was practiced by the elites. ‘Until the late-1960s, only a relatively small number of people traveled..., principally from the industrialized countries in Western Europe, the United States ... and consisting of those social groups which could afford the not inconsiderable cost of sea-, and

¹ S.S Boora, 2006, *Tourism Trends in Developing Countries: A Case of China in International Tourism Issue and Challenges* (Edit) D.S Bhardwaj, Kanshka Publisher, Distributors p.48

² Ray Youell, 1998, *Tourism: an introduction*. Harlow Longman. p.07

³ Ray Youell, 1998, p. 14

later air-borne travel to the Far East. During the 1970s and 1980s the cost of travel to the region remained more or less constant in real terms, and this, combined with rising levels of disposable incomes in the main source countries, led to a phenomenal increase in international tourism worldwide. Notably, during the late 1980s several countries in the Asia Pacific region, especially Japan and the Asia NICs (Hong Kong, Taiwan and South Korea), became important sources areas for South-East Asian tourism (accounting for 23 per cent of tourist arrivals in 1989- approximately the same proportion as Europe, the United states and Australia combined), reflecting not only the growth of wealth, but also an increasing of leisure time and a greater inclination to spend this time abroad. Meanwhile, larger numbers of tourists of the region, especially those from the rapidly developing countries of ASEAN, traveled within the region. In 1989, almost 37 per cent of international tourism occurred within the ASEAN region.’⁴

Apparently, there are two elements that contributed to the flourishing of tourism after the Second World War: one is the development of jet aircraft; the other is the growth of the package tour. First of all, with the development of aircraft with lots of seats, the cost of international tourism has gone down. Also, along with the decline in the cost of air transport, the emergence of low-cost package tours for outbound travel made such travel affordable for the masses. Usually, it is said that the advent of cheap charter flights and package holidays revolutionized international tourism, initially by creating opportunities for mass travel.⁵ Meanwhile, economic and political developments can be identified as contributing to the postwar tourism boom. Generally, the prosperity within international tourism in the world after World War II and the boom in mass outbound travel are due to the following three factors:

a. Economic development is stimulating the demand for international tourism

It is clear and unsurprising, that these variations in the demand for international tourism are related to fluctuations in the performance of the global economy, as demonstrated by the development of international tourism after the Second World War. The fast growth of international tourism has occurred in ‘boom’ periods of world economic activity, a reflection of the greater confidence of both leisure and business tourists to spend on travel, and of tourism enterprises to expand their operations.⁶ The fast growth in international tourism in the second half of the 1980s and the recession in it at beginning of the 1990s suggests that economic development is the pillar of international tourism; at same time, the tourism industry can also reflect the changes in the global economy . According to the data from the World Tourism Organization, the number of international

⁴ Michael Hitchcock, Victor T. King and Michael J.G. Parnwell, 1993, *‘Tourism in South-East Asia’*, Routledge, London, p.02

⁵ Michael Hitchcock, Victor T. King and Michael J.G. Parnwell, 1993, p.02

⁶ Ray Youell, 1998, p.15

tourists increased more than twenty-fold between 1950 and 1995, which was from 25.3 million to 567 million. Year-by-year rates of growth in the arrivals over the same time period have been equally impressive, approximately 6 per cent and 5 per cent annum respectively in the 1970s and 1980s.⁷ Unquestionably, the continual growth of the global economy is the root of the dynamic development of the tourism industry after World War II.

b. The peaceful international environment is protecting the dynamic development of international tourism

After the Second World War, and especially since the late 1970s, the world situation gradually changed from one of intermittent war and revolution to general peace and development. Especially, after the Cold War, peace and economic development have been characteristic of international society. Since then, our world has been in a generally peaceful environment for more than a half century since World War II, though localized conflicts have been frequent. In such environment, most countries are able to focus their attention on the development of their national economies and strengthening them to enhance the comprehensive national strength. Historical experience tells us that international peace is a key condition for the development of international tourism. The decrease in tourist numbers during the Gulf War provides negative evidence of this: when there is no guarantee of peace tourism declines. In this particular case, for instance, in the month following the outbreak of the war there was a 30 percent fall in American and European tourist arrivals in Thailand.⁸ To some extent, a peaceful world environment has the same effect on international tourism as nice weather. In a peaceful situation, outbound travels become popular and the development of the tourism industry can be actualized.

c. The adjustment of tourism policy is promoting the development of international tourism

After the Second World War, the tourism industry has been emphasized as an important tool in the process of economic rebuilding; in some countries it has even been considered as vitally important. In particular, 'tourism is regarded as economic escape route for the former socialist countries of Eastern Europe and East Asia and for many of the less developed nations,⁹ because of 'the relatively labor-intensive nature of the tourism industry and the limited scope for capital substitution in the production of tourism services... [this] may be particularly compelling for these societies which are experiencing, for the first time in a half a century, significant and increasing unemployment

⁷ Ray Youell, 1998, p.15

⁸ Taylor. P., 1991, *Tourism Slump over Gulf War Extends to Thailand*, Financial times, 6 February

⁹ Jenkins, W.I., 1978, *Policy Analysis: a Political and Organizational Perspective*, St. Metin's Press, New York, and Hall, D.R., (ed.) 1991a, *Tourism and Economic Development in Eastern Europe and the Soviet Union*, Belhaven Press, London

problems'.¹⁰ To increase revenue, tourist promotion boards have essentially three options that may be considered: first, to promote measures to increase visitor arrivals; second, to encourage tourists to stay for a longer period of time; and third, to persuade the tourists to increase daily expenditure. As international tourist destinations, 'governments are committed to tourist development in many countries, especially in the ASEAN. Although there is some variation in strategies, governments have accorded high priority to tourism development including special investment and tax concessions and substantially increased financial backing to revitalized or recently established tourist promotion boards and programs'.¹¹ Moreover, policies on outbound tourism in tourist-generating countries have been continually relaxed since World War II. At beginning of the postwar period 'the United States began encouraging its citizens, as part of its European recovery policy, to travel to Europe to help stimulate the economies of Europe during the post-war reconstruction period. Even US President Dwight D. Eisenhower sent a memorandum to the Secretary of Commerce giving general guidelines for such a policy. This memorandum is reproduced here in its entirety:

In my message to the Congress on the subject of foreign economic policy I emphasized the importance of international travel both for its cultural and social advantages of the free world and for its great economic significance. In my message I stated that I would instruct the appropriate agencies and departments, at home and abroad, to consider how they can facilitate international travel. I made specific note that these agencies would be requested to simplify procedures where practicable relating to customs, visas, passports, exchange or monetary restrictions, and other regulations that sometimes harass the traveler'.¹² Later on, some developed states with very strong export markets have had to encourage outbound tourism in order to reduce trade surpluses. Even Japan's government created a 'Ten Million Program' to encourage outbound travel, gave tax exemptions for corporate travelers, increase in duty-free allowances, and gave development assistance to destinations in order to encourage increased outbound travel.¹³ At same time, political aims and economic problems caused the socialist-developing countries to gradually reduce these restrictions on outbound tourism as well. The experience of China in the past thirty years is a vivid sample. Although the causes and purposes of the relaxation in policy on outbound tourism were varied, the effects have been similar and remarkable. The international tourism market is experiencing a continual boom due to the increasingly favorable environment, the improving

¹⁰ Hall, D. R 1991b, *Tourism and Economic Development in Eastern Europe and the Soviet Union*, Belhaven Press, London, p.4

¹¹ John Walton, 1993, *Tourism and economic development in ASEAN* in Michael Hitchcock, Victor T. King and Michael J.G. Parnwell, 1993, 'Tourism in South-East Asia', Routledge, London, P.229

¹² D. Edgell, *Personal Papers*, 21 May 2007 in David L. Edgell, Sr, Maria Delmastro Allen, Ginger Smith, Jason R. Swanson, 2008, *Tourism Policy and Planning: Yesterday, Today and Tomorrow*, Linacre House, Jordan Hill, Oxford, p.44

¹³ Hall.C. Michael, 1994, *Tourism and Politics policy, power and place*, John Wiley and Sons, p.73

service in destination counties and the elimination of restrictions in tourist-generation countries. As Linda Richter summarized the situation ‘for most of the region the impetus is likely to be toward less public control, more deregulation or continued lack of regulation, and a continuing assumption, the private sector has the answers to tourism development’.¹⁴

1.1.2 The dramatic increase in Chinese tourists numbers since the end of the 20th century

The following scene which occurred in Singapore has been going in many countries throughout the world. ‘There was near-pandemonium at the L’Oréal cosmetics counter (in Singapore). With only hours before the end of their weeklong National Day holiday this month, a busload of package tourists from China descended on a department store here and began clamoring for all the skin refiner and "wrinkle de-crease" they could buy’. The complaint ‘they talk so loud I have to yell until my throat hurts’ frequently occurred on the magazine and newspaper. It is clear ‘the surge in package tour groups from China, an important source of income for the region, is also giving rise to an unflattering stereotype: the loud, rude and culturally naive Chinese tourist’. Somebody thought ‘the tide of travelers from China mirrors the emergence of virtually every group of overseas tourists since the Romans, from Britons behaving badly in the Victorian era and ugly Americans in postwar Europe to the snapshot-happy Japanese of the 1980s’.¹⁵ These statements tell us that Chinese tourists are regarded as the new energy on the world tourism stage following Britons, Americans and Japanese.

Historically, there was a famous Chinese navigator Zheng He, who completed an unprecedented seven voyages of exploration eighty-three years early than Hispanic Columbus. However, the advent of tourism industry in modern China,¹⁶ was very late, particularly the leisure travel industry, can be seen as dominated by the wealthy and adventurous foreigners and very remote to Chinese citizens. For the first three decades after 1949, when China was established as the People’s Republic of China, the tourism industry was primarily considered as a form of political activity that provided services for arrivals of overseas Chinese and foreigners. Thus tourism developed as a ‘diplomatic activity’ serving political rather than the economic goals.¹⁷

¹⁴ Linda K. Richter, 1993, *Tourism Policy-Making in South-East Asia* in Michael Hitchcock, Victor T. King and Michael J.G. Parnwell, 1993, *Tourism in South-East Asia*, Routledge, London p.198

¹⁵ The New York Times, <http://www.nytimes.com/2005/10/21/business/worldbusiness/21iht-tourists.html>, access date 2010-6-7

¹⁶ ‘Modern China’ refers to the period from 1840 to 1919 by general division in Chinese history texts.

¹⁷ Zhang Guangrui, ‘China’s Tourism since 1978: Policies, Experiences and Lessons Learned’ in Alan Lew et.al.(eds) *Tourism in China: Geographic, Political, and Economic Perspectives*, Haworth Hospitality Press, New York, 1995

As a result of reform and open policy, the industry of tourism in China developed greatly after 1978, especially, the market of outbound tourism, which experienced remarkable change since then. Particularly, after the publishing of '*Interim Measures for the Administration of the Overseas Tours at one's Expenses of Chinese Citizens*' (*Interim Measures*) in 1997 and '*Measures for the Administration of the Overseas Tours of Chinese Citizens*' in July 2002, many more Chinese were able to go abroad, and more travel agencies could now organize tourist-groups to travel abroad. The average increase rate in outbound travel rose by 24% from 1996 to 2005 in China, making it unquestionably the highest growth rate in the world. In particular, the number of Chinese tourists reached 20 million in 2003, even more than Japanese (17 million), and China was the leading Asian country in tourist-export in that year.¹⁸ With such large numbers of tourists abroad and such a fast growth rate, WTO forecast that China would be the fourth tourist-generating country in the world by 2020 with 137 million international arrivals and 100 million outbound tourists.¹⁹ Opinion is unanimous that the advent of outbound tourism in China was later than in most countries; but, its evolution was and still is very fast.²⁰ To discover the reasons for this dramatic development, it is essential to study policies on outbound tourism and their effects on the tourism industry in China. A focus on the policies that led to its rapid development and the factors that caused adjustments in policies-making is necessary to study and understand the dramatic development of outbound tourism in China over the past three decades.

1.2 Aims and Objectives of the Study

There are many questions to be analyzed regarding to the rapid increase in Chinese tourism since the end of the last century: how has China become a leader among tourist-generating countries and why is the number of outbound tourists in this socialist and developing country greater than in some developed countries? In order to discover the roots of this incredible development in outbound tourism from China in the past thirty years, my study is going to explore rationales effecting the development of outbound tourism in P. R China from 1978-2008 with an emphasis on policy. The axis of study is formed by three aspects: 1) to explore the nature of tourism policies at different periods through an analysis of the contents of tourism policies, 2) to discover reasons behind policy-making and policy-adjusting and 3) to introduce the influence of policies on the development of tourists industry. The period of interest is from 1978 to 2008, although the policies of the preceding period can be briefly outlined as well.

¹⁸ Wang Weining, 2004, '*An Analysis of Current Situation based on the Change of Management of Foreign Exchange*', Management of Foreign Exchange 2004-10, pp.27-28

¹⁹ WTO, *Tourism: 2020 Vision-Executive Summary* [R]. Madrid: World Tourism Organization, 1997

²⁰ Wei Xiaolan and Zeng Bowei (eds.), 2009, *Tourism Policy and Law*, Tourism Education Press, p.23

Generally speaking, studies on international tourism are all focused on how to exploit tourism potential from the perspective of destination countries, while researches on tourist-generating countries are rare. Especially in developing countries, researchers are rarely interested in policies of outbound tourism. Scholars from the destination countries have a strong motive to study the policies in customer countries, but due to language and other constraints, materials and data are not easy to collect, so further research cannot be carried out. As a Chinese national, with the benefit of years of language and education experience in China, the author of this thesis has an inherent advantage, an ability to understand the object of study as an *insider*. Taking into account the abundant materials available and the author's consideration of international tourism theories and experience from other countries, the author is able to analyze policy change regarding outbound tourism in China since 1978 and its influence on outbound tourism development as an *outsider*.

Given the close relationship between tourism policy and the politics and economy, in previous researches tourism has usually been classified in the category of political economy. Therefore, this study of tourism is given a historical perspective. As Susan Strange pointed out, 'there is no way that contemporary international political economy can be understood without making some effort to dig back to its roots, to peer behind the curtain of passing time into what went before.'²¹ By becoming acquainted with the development of outbound travel and the adjustment of tourism policy in China since 1978, the reader gains a greater understanding of the close relationship between them. In my study of policy changes concerning outbound travel, there is a strong emphasis on analyzing changes in policy concerning outbound travel at the macro-scope level. As a result, not only the process is explored, but also the root reasons behind the policy adjustments.

As noted above, in academia, there is a consensus that tourism by nature is not only a "continuation of politics" but an integral part of the world's political economy which in turn affects tourism policy.²² This indicates that political and economic changes are the key factors in the process of making and implementing of tourism policy. The impact of politics on tourism was noted many years ago. 'Politics is essentially about power. The study of power arrangement is therefore vital in the analysis of the political impacts of tourism because power governs the interplay of individuals, organizations, and agencies influencing, or trying to influence the direction of policy'.²³ As Hall definitely pointed out, 'politics is about the control at the local, and national levels, various interests attempt to effect the determination of policy, policy outcomes and the position of tourism in the

²¹ Susan Strange, 1994, *States and Markets*, a Cassell Imprint Wellington House p.17

²² David L. Edgell, Sr Maria Delmastro Allen Ginger Smith Jason R. Swanso, 2008, p.63

²³ Lyden, F.J., Shipman, G.A. and Kroll, M. (eds.), 1969, *Polices, Decisions and Organizations*, Appleton-Century-Crofts, New York p.6

political agenda.²⁴ Though the significance of politics has been noted, there is a lack of research on the actual practice of it. Such complaints are often seen: ‘unfortunately, the contemporary discussion of tourism policy development, apart from some notable exceptions’ and ‘... has failed to illustrate the political dimensions of tourism policy and the action or implementation of policy in the form of specific tourism developments’.²⁵ Such problems certainly exist in China. Because of its special social system, research about politics was restricted in China before the reform in 1978. To address this problem, not only the effects of politics on outbound tourism after the reform will be discussed in my thesis, but also earlier politics. The shift in ideology in China is given special consideration. Thirty years ago, it was noted ‘the ideology as a significant factor should be studied in tourism research. Ideologies are systems of belief about social and political issues that have strong effects in structuring and influencing thoughts, feelings and behavior’.²⁶ Moreover, ‘state and individual ideologies do influence the pattern of tourism development’.²⁷ All these matters are very important for contemporary China. Historically, the root reason of reform in China has been the liberation of ideology. Today’s China is experiencing an ideological shift, and ideological emancipation is the key factor to any industrial policy. Because ideology in China is undergoing a great change, its impact on the tourism policy is stronger than before and stronger than in most other countries.

Affected by the ideological change, the scope of reform is extensive throughout China. Recently, China has been undergoing a conversion from a planned economy to a market economy, a process that is likely to continue for some time. Whereas “the policy analyst’s need to understand the dominant groups and ideologies operating within a political and administrative system”,²⁸ there are two words which have special relevance to China: *modernization* and *internationalization*. These two popular words indicate that China is facing many new challenges in making the transition from theory to practice in a new historical era. Generally, *modernization* or *westernization* is described in such terms as ‘developing countries seek to emulate Western patterns of production and consumption’.²⁹ According to this viewpoint, along with the process of modernization, the social environment also should be close to that in western capitalist countries. Since 1978 China has instituted the program of ‘four modernizations’, which has produced great economic achievement and political change throughout in the past thirty years. Consequently, there are two serious issues currently facing China. First, does contemporary China remain committed to socialism or does it

²⁴ Hall, C.M., 1991, *Introduction to Tourism in Australia: Impacts, Planning and Development*, Longman Cheshire, South Melbourne p.213

²⁵ Richter, 1989; Greenwood, Williams and Shaw, 1990

²⁶ Brown, L.B., 1973, *Ideology*, Penguin, Harmondsworth

²⁷ Williams, A.M. and Shaw, G. (eds.), 1988, *Tourism and Economic Development in Eastern Europe and the Soviet Union*, Belhaven Press, London

²⁸ Jenkins, W.I., 1978, *Policy Analysis: a Political and Organizational Perspective*, St. Metin’s Press, New York p.40

²⁹ Hall, C., 1994, p.120

adopt capitalism? Second, does China now have a planned or a market economy? The tension implicit in these questions complicates the environment of policy-making in China. Given this situation, an analysis of the social changes surrounding the tourism policy of China is an important objective of my study.

1.3 Research Methods and Sources

- **Research methods**

Tourism is considered a most complex problem, even to the extent that ‘there is no other industry in the economy that is linked to so many diverse and different kinds of products and services as is the tourism industry’,³⁰ and it is ‘specifically because of the temporal nature of the process, the multiplicity of participants and of policy provisions, and the contingent nature of theoretical effects’.³¹ As a result, there is really no uniform or comprehensive method of tourism policy which has been proved to be effective. As Hall observed, two of the main problems encountered in the study of the political dimensions of tourism are the essentially value-laden character of political and policy analysis and the lack of an agreed methodological or theoretical basis from which to conduct such research.³²

In this study both qualitative and quantitative methods are used. In her *Tourism Research* Gayle Jennings explained ‘the different research methodologies that can be used in tourism research, primarily, there are two classifications for research methodologies: qualitative and quantitative methodologies’.³³ In her opinion, ‘a qualitative methodology is associated with the holistic-inductive paradigm. Research informed by a qualitative methodology will have the attributes: data are represented as textual units rather than numeric representation. Data analysis is focused on eliciting key themes and motifs associated with the participants being studied’.³⁴ Looking at the research into tourism, tourist policy is generally classified within the scope of politics. The process of policy making and of implementation involves the relationship between power, structure and ideology. In order to analyze the special character of China’s outbound tourism and the related policy, the qualitative method is undoubtedly the most important method used in this study.

According to Jennings’ definition, ‘a quantitative methodology is associated with the positivistic or hypothetical-deductive paradigm. Research informed by a quantitative methodology will have the

³⁰ D. Edgell, 1990, p.7

³¹ Greenberg, G.D., Miller, J.A., Mohr, L.B. and Vladeck, B.C., 1977, ‘*Developing Public Policy Theory-Perspective from Empirical Research*’, *American Political Science Review*, 71(4): p.1532

³² Hall, C, 1994, p.14

³³ Gayle Jennings, 2001, *Tourism Research*, John Wiley & Sons Australia, Ltd, P.159

³⁴ Gayle Jennings, 2001, P.129

attribute: the representation of the findings is based on statistical tables and graphic representations and the report text is written in the third person.³⁵ Some Chinese researchers have the same opinion and have even said that there is no way to discuss effectively on the impact of tourism policy on tourism development without comprehensive data and the statistics.³⁶ That both Chinese and foreigner have the same viewpoint shows that the quantitative method is used more in tourism study than in other research fields. In view of this, more tables and graphs incorporating large amounts of historical materials and statistical data are used in order to make my study more accurate and valid. To put this another way, a method involving the ‘mixing of both quantitative and qualitative methodologies in varying ways and degrees’³⁷ is widely used in this research.

• Study resources

For my study, the original sources can be divided into three parts. 1). the research materials on analysis of tourism policies based on the most important published legislations, regulation and documents issued by the State Council, CNTA (China’s National Tourism Administration) or relevant authorities. The rules in these publications are regarded as most important part of the original sources. The selected works of tourism legislation and regulation have been published by CNTA already. The important speeches of national leaders on tourism and the decisions of the national tourism conference have been published already also. 2). the data from yearbooks of the State Bureau of Statistics of the People’s Republic of China are widely used in this study. 3).in order to review the historical development of China’s tourism industry, some data from the archives of first travel agency are also used. All selected documents and data (See the list of references) are presented in a well-organized and easily accessible form for the retrieval and re-analysis.

As necessary complement lots of second hand sources which cite and comment on or build upon primary sources provided me with much help. First, literature on tourism or policy provided the theoretical framework of my thesis. In particular, *Tourism: an introduction* by Youell Ray introduced the basic concepts relate to the tourism and tourists. The recent book *Tourism Policy and Planning* published in 2008 added more theoretical arguments of tourism policy to my study. *Policy Analysis: a Political and Organizational Perspective* which was published in 1978, although is quite old; gave me to better understanding of tourism policy. Except English literature, I found much new Chinese literatures during my study trip to Beijing in 2010. The year of 2008 marks the thirtieth anniversary of China’s reform and openness. Associated with this, a huge number of works and theses appeared to discuss the achievements of each industry. Among them, *Development of Tourism Research 1978-2008* has been the most valued which summarized the evolution of tourism

³⁵ Gayle Jennings, 2001, P.130

³⁶ Zhao Xiaoyan, *Tourism economics*, Economic Management Publishing House, 2001, p.20

³⁷ Gayle Jennings, 2001, P.133

research in past thirty years and provided a wealth of statistics for research in China. I was able to find more information about other books and theses with its help. Besides, many other works often not specifically about tourism policy also gave me much assistance on the study of economy and politics in relation to tourism industry of China, such as *China Business Culture: strategies for success* which explained the economic situation and the change of public ideology on consumption that occurred after 1978. To summarize, due to the lack of tourism theory research in China, the main theoretical framework of my thesis is derived from western literatures in English, while the building of the dissertation structure is mostly influenced by works in Chinese. Second, a great number of relevant articles published by historians and some other scholars provided the recent results of tourism research and details of some problems in the development of the tourism industry. However, China's tourism has rarely been handled in the main international journals, and therefore, most references in this study are in Chinese. Through them we can understand the situation and arguments about tourism policy in China. For example, what achievements have been made as a result of more liberal policies of the Chinese government? What kinds of arguments were presented for and against the growth of outbound tourism? What is ideologically acceptable and on what conditions? Finally, the internet has been the main channel of up-to-date information. As the leading industry in internet service the building of the tourism internet is ahead of that in other industries. Although the internet service of travel agents in China is not as good as that in western countries, the information on tourism industry and tourism regulation is often updated. The information published on the official web site of the CNTA (www.cnta.org.cn) and other organizations provided much information for this study.

1.4 The Outline of the Thesis

As a historical study, this thesis is organized in six chapters following in chronological order mostly. It is structured with three parts: a retrospection look at historical development, an analysis of policy adjustment from 1978 to 2008 and the conclusion.

The first chapter may appear to be isolated from the other chapters, but, it is actually integral to the thesis, an inseparable part. An introduction giving a background to the development of international tourism after the Second World War provides the basis for an understanding of the international environment in which China's tourism exists. More importantly, from this chapter, the reader can gain an idea of the key points of this thesis: What are the foci of research (study aim and limitations)? Why are they worth studying (study background) and how are these questions studied (study method and sources)?

The second chapter is a review of tourism development in China. Although it mentions journeys made from China in ancient time, it is largely concerned with the period since 1949, from the time when the People's Republic of China was established to the beginning of the reform and open-door policy in 1978. In this chapter, I introduce some events of China during that time in order to illustrate the special background of the tourism industry in P. R. China. It is hoped that the research in this chapter will disclose the special track of the outbound tourism and the effect of the political situation on tourism in China.

Chapters three to five constitute the main body of this dissertation. They all discuss the development of outbound tourism and the adjustment to tourism policy in China from 1978 to 2008; although the emphasis of each chapter is a little different. The third chapter mainly discusses the reasons why when outbound travel was occurring, there was no regulation of it, nor even official any concept of outbound travel. The chapter concentrates on an exploration of the social background when the behavior of outbound tourists and the business of travel agents were restricted. The fourth chapter illustrates the factors that brought about the launching of tourism policy towards outbound travel and introduces the dramatic development of outbound tourism since the publishing of two important regulations. In particular, the adjustment and improvement of policy on outbound tourism at turn of the century have been discovered through a careful comparison of the two similar regulations. The fifth chapter concentrates on the most recent changes in the policy and the development of outbound tourism. Based on a new tourism strategy to build the '*great tourism country*' the catchword and direction of tourism policy regarding outbound tourism has been changed in China. In order to understand the nature of the new policy many new related regulations concerning the industry of outbound tourism are introduced as evidences.

The sixth chapter is the final part, which presents some coherent conclusions based on a segmented summery of each chapter. The main of policy shift and the development of outbound travel in P. R. China are identified through a summing-up of the unparalleled miracle experienced from 1978 to 2008.

1.5 Research on Tourism Policy

1.5.1 International discussion of tourism policy

'Since the tourism industry is difficult to clearly define because of the involvement of so many different economic sectors, it tends to foster many major policy development challenges.

Fundamentally, tourism policy should present a set of guidelines, which, when combined with planning goals, charts a course of action for sound decision-making. Tourism policy, typically fragmented and poorly defined by governments throughout the world, is sometimes difficult to understand'.³⁸ In order to plan for and provide rational order to such a wide-ranging and dynamic industry, it is necessary to develop policies to assist the decision makers in the management of this complex industry'.³⁹

As a result of the rapid development and the increasing importance of tourism since the Second World War, there has been more and more government involvement in this sector. Therefore, many scholars have been convinced that government has an important role to play in tourism policy. Leonard Likorish argues that 'without governments' involvement in tourism planning, development of the industry will lack cohesion, direction, and short-term initiatives might well jeopardize long-term potential'.⁴⁰ Youell Ray also pointed out that 'the formulation and agreement of policies for tourism is an essential prerequisite of successful tourism development and management'.⁴¹ Moreover, as many industries are involved in the industry of tourism, the policy of tourism has a great effect in both domestic and international sphere. It is also something that, to some extent, is bound to have an impact on domestic politics.⁴² In addition, tourism is as much an aspect of foreign policy as it is a commercial activity, and the global tourism infrastructure now forms an important component of international relations.⁴³ Some even regard tourism policy as 'not only a continuation of politics' but an integral part of the world's political economy. In short, tourism is, or can be, a tool used not only for economic but for political ends.⁴⁴

It is noticeable that, although the significance of tourism policy is widely accepted, the notion of tourism policy has been proved difficult to define. As Gunn observed, because of the fragmented growth of the tourism industry 'the overall planning of the total tourism system is long overdue... there is no overall policy, philosophy or coordinating force that brings the many pieces of tourism into harmony and assures their continued harmonious function'.⁴⁵ *Merriam-Webster Online Dictionary* (2007) has defined policy as 'A definite course or method of actions selected from

³⁸ David L. Edgell, Sr, Maria Delmastro Allen, Ginger Smith, Jason R. Swanson, 2008, *Tourism Policy and Planning: Yesterday, Today and Tomorrow*, Linacre House, Jordan Hill, Oxford, UK p.13

³⁹ David L. Edgell, Sr, Maria Delmastro Allen, Ginger Smith, Jason R. Swanson, 2008, p.2

⁴⁰ Leonard Lickorish, Allan Jefferson and Carson J. Jenkins, 1991, *Developing Tourism Destination: Policies and Perspectives*, Longman, Harlow, Essex p.70

⁴¹ Ray Youell, 1998, p.172

⁴² Edgell, D. 1978, 'International tourism and travel', in H.F. Van Zandt (ed), *International business prospects, 1977-1999*, Bobbs-Merill, Indianapolis, p.171

⁴³ Mowlana, H. and Smith, G., 1990, 'Tourism, Telecommunications and Transnational Banking: a Framework for Policy Analysis', *Tourism Management*, 11 (4): 315-324

⁴⁴ Edgell David, L. 1990, *International Tourism Policy*, Van Nostrand Reinhold, New York

⁴⁵ Gunn C, 1994, *Tourism Planning*, Taylor and Francis, New York, p.85

among alternatives and in light of given conditions to guide and determine present and future decisions'. The popular tourism text '*Tourism: Principles, Practices, Philosophies*'⁴⁶ defined tourism policy by stating, 'Tourism policy can be defined as a set of regulation, rules, guidelines, directives that provide a framework within which the collective and individual decisions directly affecting long-term tourism development and the daily activities within a destination are taken'. This definition is applicable in most circumstances. Another useful discussion of tourism policy is contained in a new tourism book titled *Travel and Tourism: An industry Primer*. Biederman adds the following thoughts, important to the definition of tourism policy. 'A tourism policy defines the direction or course of action that a particular country, region, locality or an individual destination plans to take when developing or promoting tourism. The key principle for any tourism policy is that it should ensure that the nation (region or locality) would benefit to the maximum extent possible from the economic and social contributions of tourism. The ultimate objective of a tourism policy is to improve the progress of the nation (region or locality) and the life of its citizens'.⁴⁷ In the above definitions the objectives and content of policy have been roughly identified. By them, the content of tourism policy should be included the following aspects, coordination, planning, legislation, regulation, and simulation.⁴⁸ In particular, the coordination of government is more important than the actions of others bodies in the tourism policy. In previous studies, some researchers noted that the need for a coordinated tourism strategy has become one of the great truisms of tourism policy and planning.⁴⁹ Therefore, coordination is necessary both within and between the different levels of government in order to avoid duplication of resources in the various government tourism bodies and the private sector, and to develop effective tourism strategies.⁵⁰ This viewpoint just accords well with Edgell's statement that 'the highest purpose of tourism policy is to integrate the economic, political, cultural, intellectual and economic benefits of tourism cohesively with people, destination, and countries in order to improve the global quality of life and provide a foundation for peace and prosperity'.⁵¹ Therefore, looking at the macro-scope picture, tourism policy needs to be considered as potentially subsumed beneath a broader range of government economic, social, welfare and environmental policies. Ideally, policy decisions will

⁴⁶ Goeldner and Ritchie, 2006, *Tourism: Principles, Practices, Philosophies*(10th ed.), Wiley, Hoboken, N.J

⁴⁷ David L. Edgell, Sr Maria Delmastro Allen Ginger Smith Jason R.Swanson, 2008, p.7

⁴⁸ Mill, R.C. and Morrison, A.M., 1985, *The tourism system: an Introductory Text*, Prentice-Hall International, Englewood Cliffs

⁴⁹ Smith, Stephen, 1989, *Tourism Analysis a Handbook*, Harlow: Longmain, Jansen-Verbeke, M., 1989, 'Inner Cities and Urban Tourism in the Netherlands: New Challenges for Local Authorities', in P. Bramham', from I. Henry, H. Mommaas and H. van der Poel (eds.), *Leisure and Urban Processes: Critical Studies of Leisure Policy in Western European cities*, Routledge, London and New York, pp.233-253, Lamb, A.N., 1988, 'Tourism Development and Planning in Australia-the Need for a National Strategy', *International Journal of Hospitality Management*, 7(4): 353-361 and Mc. Kercher, B., 1993, 'Some Fundamental Truths about Tourism: Understanding Tourism's Social and Environmental Impacts', *Journal of Sustainable Tourism*, 1(1): 6-16

⁵⁰ Hall.C. Michael, 1994, *Tourism and Politics*, Wiley, Chichester, UK, p.33

⁵¹ Edgell, David, L. 1990, *International Tourism Policy*, Van Nostrand Reinhold, New York p.37

reflect a desire to meet the interests of the relevant level of government, i.e. national, provincial, state or local, rather than the sectionally defined interests of the tourism industry.⁵²

From the above discussion, we can see that the decision of tourism policy is much effected by economic strategies and the political system. Therefore, there should be different policies on tourism appropriate to different countries, or at different development stages within the same country. In fact, most of the nations do continue to have a national cabinet-level portfolio for tourism and play a substantial and increasing financial role in the planning and promotion of tourism. However, in most of these nations the tourism policy is clearly designed to attract international tourists, because the countries are so poor that a significant domestic tourism base does not exist.⁵³ For obvious economic reasons, most countries seek to generate a large volume of inbound tourism... The expenditure of foreign visitors adds to national income and employment and is a valuable source of foreign exchange earnings.⁵⁴ Therefore, 'in some corners of our globe, inbound tourism is used to showcase the accomplishments of the government's policies'.⁵⁵

Because the tourism industry was regarded as an important revenue-generating sector, the business of outbound travel in socialist countries was controlled very strictly by their governments. It was said that government of socialist countries 'fears of the development of tourism will bring people, logistics, knowledge flows to local cadres and the masses in the ideology, customs, and other aspects of the standard of living of their vision, liberated thinking, change the concept fundamentally changed the closed position, with extraordinary speed towards the extraterritorial and abroad, the overall socio-economic development of these areas of rapid development.'⁵⁶ It should be noted that in developing nations tourism policy is generally centralized. However, the reasons that the development of the industry of outbound tourism has been limited in any country are very complex. Usually, any study of policy on outbound tourism should start with a holistic investigation of social development in a country. To some extent, the study of this question is an important way to understand the history and current conditions of the tourism industry in a certain country. In particular, the 'administration of tourism under socialism ...has...implicitly acted both to contain and to concentrate tourism-and especially foreign tourism-within very specific spatial parameters.'

⁵² Hall.C. Michael 1994, p.45

⁵³ Linda K. Richter, *Tourism policy-making in South-East Asia* in Michael Hitchcock, Victor T. King and Michael J.G. Parnwell (eds.), 1993, '*Tourism in South-East Asia*', Routledge, London p.184

⁵⁴ David L. Edgell, Sr Maria Delmastro Allen Ginger Smith Jason R.Swanson, 2008, p.141

⁵⁵ David L. Edgell, Sr Maria Delmastro Allen Ginger Smith Jason R.Swanson, 2008, p.164

⁵⁶ D. R Hall, 1984, '*Foreign tourism under socialism: the Albanian 'Stalinist' Model*', *Annals of Tourism Research*, 11 (4) 539-55

⁵⁷ In socialist-countries the policy of international tourism has more special tasks such as the following:

- Assist the implementation of policies seeking the equal distribution of goods, services and opportunities across the state area.
- Help improve economic performance and stimulate rapid economic development.
- Stimulate infrastructural improvements for the benefit of the host population.
- Aid environmental improvement.
- Project a favorable image of the host country to the outside world.
- Promote international peace and understanding, as defined by state socialist dogma.
- Enhance visitors' cultural and ideological awareness by the host country convincing them of the superiority of socialism.
- Avoid introducing 'anti-socialist', 'revisionist' or 'Capitalist' influences to 'turn the head' of the indigenous population working in the tourist industry and coming into contact with foreign tourists.⁵⁸

Besides these common objectives, due to the impact of the shift of economic system and political reform since 1978 there are inevitable some special problems that need to be addressed in the making and adjusting of tourism policies in China. The development of tourism policy and the tourism industry in China is occurring in a very special environment. Along with the rapidly increase in the number of Chinese outbound tourists, there has been an increasing awareness of the need to understand this dynamic development, the tourism policy and their consequences for the region and its peoples.

1.5.2 The achievement of tourism research in China

Since 1978, along with rapidly developing market demand, many institutes which conduct tourism research have been created. According to available statistics, there have been more than 2500 tourism institutes of various types, among which there are 897 colleges and universities with tourism institutes, accounting for 34.6% of the total number of universities.⁵⁹ Beijing International Studies University is one of famous professional tourism universities and was once named *Tourism University of China* where many scholars are studying outbound tourism. For instance, Du Jiang, Li Xinjian and other teachers published several papers on the topic of outbound tourism. There are also 829 secondary vocational schools, more than 500 tourism planning and consultant agencies, about 60 tourism research related departments owned by relevant institutes and a dozen government

⁵⁷ Hall, D. R., 1991c, *Eastern Europe and the Soviet Union: Overcoming Tourism constraints*, in D.R Hall (eds.), *Tourism and Economic Development in Eastern Europe and the Soviet Union*, Belhaven Press, London, pp.49-78

⁵⁸ Hall, D. R., 1984, 'Foreign tourism under socialism: the Albanian 'Stalinist' Model', *Annals of Tourism Research*, 11 (4) p.542 and Hall, D.R., (ed.) 1991, *Tourism and Economic Development in Eastern Europe and the Soviet Union*, Belhaven Press, London, p.11

⁵⁹ China Tourism Academy, 2009, *Development of China Tourism Research 1978-2008*, China Tourism Press, p.2

departments and think tanks with research ability.⁶⁰ Moreover, there are more channels through which tourism theses can be published in China than elsewhere. There are three professional magazines for tourism study: *Tourism Tribune*, *Tourism Economy* and *Tourism Research*. Besides these national magazines the journal of each university is an important platform for tourism research. Thus there is a good environment for tourism research in China and there have been some excellent studies. In statistical terms up to 2008, there have been 26173 tourism related papers published on major magazines, among which papers about tourism management and tourism geography account for 43.9% and 24.1% respectively, while papers about basic theory of tourism and tourism history account for only 1%-2%. Generally speaking, driven by economic interest, most scholars in China prefer to study realistic issues in the process of tourism development, and most of the debates focus on tourism management and planning etc, therefore the study of core basic theory of tourism is rather weak, and more seriously, there is a lack of accurate data and materials in many of published paper or studies. Thus, superficiality and simplicity have become the *congenital heart disease* of tourism study in China.⁶¹ Besides, most research results are published in Chinese, and only few can be retrieved in English, with the result that China's tourism has relatively little influence on the international academic community.

The researchers Chris Ryan and Morrison criticized the studies on Chinese tourism as still resting in the primary phase.⁶² Especially, the study of tourism theory and policy is rarely a concern in articles by Chinese researchers. Though Chinese tourists have been everywhere in the world, few articles of Chinese tourism have been seen in international academia. The data in Table 1-1 shows that only a few articles written by Chinese scholars have appeared in academic journals of international tourism. Only 51 articles could be searched for in the three main international journals before 2005. The contribution of tourism study by Chinese scholars is not as great as Chinese tourists to tourism. In addition, the Table 1-2 tells us that the discussion of practical problems has received more attention than the policy and politics. Due to the scarcity of studies on outbound tourism, outbound tourism policy is badly neglected. Most notable is that, the issue of outbound tourism and related policies was rarely the focus of the papers; until now, there is still no holistic study on them. Nevertheless, the achievement of tourism research in Chinese is considerable. Especially since 1978, in order to guide the rapidly developing tourism industry, a large number of regulations on tourism have been issued and some big adjustments have also been made by relevant authorities. Up to now, over 20 books on tourism regulations and policies have been published, although most of them only briefly introduce the contents of regulations which are issued at

⁶⁰ China Tourism Academy, 2009, p.2

⁶¹ China Tourism Academy, 2009, p.31

⁶² Li Xingqun and Zhao Wenbing, 2007, 'Analyzing of the Progress in International Tourism Research about China', *Tourism Tribune*, 2007-03, pp.90-94

different periods, without delving into the political and cultural background. *Tourism policy and law* authored by Wei Xiaolan and Zeng Bowei is one of the best. This book studies the process of China's tourism transformation through three periods, those of executive order economics, planned market and market economics by analyzing the nurturing of the industry, and system innovation.⁶³ Wei Xiaolan worked in Policy Department of the CNTA for over ten years and was personally engaged in the enactment and adjustment of many relevant regulations, which makes his discussion more profound and more precise. I have quoted extensively from this book in my thesis as it is one of the most important material resources for my study.

All of the books above elaborate on concepts of tourism policy and legislation, among which the discussion in *Tourism Policy and Law* authored by Yuan Zhengxin and Zhang Xingguo is best in line with China's national status. First, China's tourism policies in this book refer to operative norms enacted by the Party, the State and administrative departments of all levels in order to achieve rapid development of tourism. Tourism policy is the specific embodiment of Party policy in the construction and development of tourism. In their opinion, all policy-making should be based on the Party's policies.⁶⁴ The Party's tourism policies are often expressed in the form of decisions, notes, guidelines, notices, reports, editorials, documents and slogans. Administrative departments at all levels may make the legislation suitable for local needs within their own jurisdiction under the Party's policy. Besides, there are policies of different levels in China. The State Council created a national policy for tourism, and then tourism administrative departments of the State Council make more specific policy as the guideline for the whole country's tourism. Then, taking local characteristics into consideration, local government and other tourism administrative, departments correspondingly make policy for local governments.⁶⁵

The relation between tourism policy and tourism legislation is also discussed in the book written by Yuan Zhenxing and Zhang Xingguo. They are a pair of terms that are closely related but also strictly distinct. On the one hand, tourism regulation must be based on tourism policy of the Party and the State; while on the other hand, policy-making cannot go against current legislation.⁶⁶ Tourism policy is the basis of tourism legislation. Legislation is an important tool to implement tourism policy, but it does not include all tourism policy. Tourism policy is more flexible than legislation, and it can reflect trends in tourism development in different periods promptly and accurately.⁶⁷

⁶³ Wei Xiaolan and Zeng Bowei (eds), 2009, p.2

⁶⁴ Yuan Zhengxin and Zhang Guoxing (eds.), 2008, p.3

⁶⁵ Song Zhenchun, 2006, *Research on Tourism Development of Contemporary China*, Economy Management Press. P.21

⁶⁶ Yuan Zhengxin and Zhang Guoxing (eds.), 2008, p.7

⁶⁷ Yuan Zhengxin and Zhang Guoxing (eds.), 2008, p.7

Until recently, there have been few studies on tourism history in China; less than ten books having been published. As Song Zhenchun said, most scholars prefer to study the practical problems of tourism development rather than review the development process of Chinese tourism.⁶⁸ *The Compendium of China Tour* by Zhang Bigong, published in 1995, is one of the earliest books on Chinese tourism history, and to this can be added *Tour History* by Zou Shumei (2006). *History of Chinese Tour Culture* by Xu Rihui and *The Compendium of Chinese Tour Culture history* by Ma Yong, Yu Donglin and Zhou Xiao (2008). But all these books limit their scope to history before 1949, whilst the period after 1949 has not well served. However, and the exception is *Tourism Industry in Contemporary China*, in which Han Kehua examined the history of tourism after the foundation of P.R. China. As general director of CNTA from 1981-1988, Han Kehua has personal experience of the making and changing of tourism policy and regulations during that period, so he can give some valuable insights. The defect of this book is that the origin of a lot of the data and materials is not made clear. For this reason, the author of this thesis did not quote more from it, although it did give an understanding of the framework of China's tourism policy and development through it. Since it was published in 1994, another obvious problem is that it does not cover the huge developments in tourism and adjustments in tourism that have occurred since then.

Table 1-1 Distribution of tourism articles by Chinese writers in main international magazines

Magazine name	1978-1985	1986-1990	1991-1995	1996-2000	2000-2004	Total
Annals of Tourism Research	2	2	3	2	3	12
Tourism Management	3	4	2	5	15	29
Journal of Travel Research	0	2	3	3	2	10
Total	5	8	8	10	20	51

⁶⁸ Song Zhenchun, 2006, *Research on Tourism Development of Contemporary China*, Economy Management Press, p.21

Table 1-2 Classification of the articles in Table 1-1

Magazine name	Current situation	Tourism policy	Developing plan	Basic research	Outbound tourism	Tourism politics	Total
Annals of Tourism Research	3	3	2	1	0	3	12
Tourism Management	8	5	6	6	3	1	29
Journal of Travel Research	2	0	1	2	2	3	10
Total	13	8	9	9	5	7	51

Source of Table 1-1 & Table 1-2 69

1.6 The System of Tourism Administration in China

As Linda Richter observed, ‘there is no clean slate on which to forge tourism policy even in countries without a major tourism industry, for the patterns of power are likely to be in place’.⁷⁰ ‘Usually, the governor’s office and administrations working together with the state legislature, serve as the architects, budgeters and planners for initiating, implementing and supporting a state’s tourism program’.⁷¹ According to ‘*Management Regulation of Travel Agency*’ CNTA is the responsible authority for the tourism industry under the guidance of State’s Council of China. The National Tourism Administration of People of Republic China is the full name of CNTA, which was BTT and found in 1964 and still functions as the center for management of tourism industry in China. CNTA is not only the administration of tourism industry, but the institute that makes and adjusts policy. Most other countries have similar tourism administrations. For instance, the Austrian National Tourist Office (ANTO) is the national marketing organization for all forms of tourism in Austria. ANTO’s activities are not directed towards the marking of profits, but at attaining the maximum benefit for Austria’s national economy. ANTO’s activities are oriented towards the market, efficiency and an overall approach which is based on medium- and long-term strategies.⁷² CNTA is now very similar to ANTO at some extents; however, it was an integrative department with both government and company before 1980’s. Taking a glance at tourism legislations,

⁶⁹ Li Xingqun and Zhao Wenbing, 2007, ‘*Analyzing of the Progress in International Tourism Research about China*’, Tourism Tribune, 2007-03, pp.90-94

⁷⁰ Linda K. Richter 1993, *Tourism policy-making in South-East* in in Michael Hitchcock, Victor T. King and Michael J.G. Parnwell (eds.), *Tourism in South-East Asia*, London, p.92

⁷¹ David L. Edgell, Sr, Maria Delmastro Allen, Ginger Smith, Jason R. Swanson, 2008, p.32

⁷² *Tourism Policy and International Tourism in OECD Countries 1990-1991*, p.24

concerning outbound travel in China shows that the most important agencies for tourism are CNTA, Ministry of Foreign Affairs and the Administration of Foreign Exchange. The State Council of China is the top authority and all documents or legislation with important content should be approved by it. Actually, the basic regulation of tourism is made in *Law Department and Coordination Development of CNTA*.

Currently, there are five levels of tourism policy in China. The first level is the tourism policies issued by the State Council, which is the highest level and act a guide for ministries and local government's policy to develop tourism. The second level is the legislation and documents issued by CNTA and other government departments, which are usually drafted by CNTA, countersigned by other relevant departments, and then issued jointly. The third level is the policy documents issued independently by CNTA. The fourth level is documents released by separate departments within the CNTA, which are only related to the department itself. The fifth level is notices and decisions released by local governments.⁷³ As Qian said, CNTA is the control mechanism for China's travel agents, responsible for: limited travel allowance, tight control of travel documents, and complicated procedures for joining group tour.⁷⁴ Though CNTA is only responsible for the policy at national level; all local regulation should be impacted by it. There are many branches of CNTA in all provinces; therefore, all business of local travel agents were controlled under CNTA, even the appointment of CEO (Chief Executive Officer) of each agent should be decided by associate office of CNTA. Naturally, the business of outbound tourism is strictly controlled by CNTA from the issue of the license of operation to operate to the destination. Due to the centralized management, the national policy of tourism can play a more important role in the development of the industry of outbound tourism.

1.7 Limitations and Definitions

As tourism is the biggest industry, the study of tourism can cover a multitude of problems. Therefore, some boundaries must be drawn so that the research can focus on certain aspects and handle them in depth. The title of thesis identifies four areas of my study which will be looked at: the policy, outbound tourism, China and the period 1978-2008.

First of all, the concept of tourism should be defined. In his book Youell Ray wrote, 'Although it is easy to imagine that tourism is only concerned with travel for holidays, this is far from the reality of the situation. There are many different motives for travel, which can usefully be categorized for

⁷³ Wei Xiaolan and Zeng Bowei, 2009, p.82

⁷⁴ Qian Wei, 'Travel Agencies in China at the Turn of the Century', www.newtourist.net August 20, 2000, access date 2002-05-06

statistical and analytical purposes into leisure tourism, business tourism and visiting friends and relatives (VFR), as it is shown in Figure 1-1'.⁷⁵ He thus defines tourism as travel with all kinds of motive from leisure for holidays to travel for cultural event, and even visiting friends and relatives (VFR) also belongs to the tourism. In this study, the term tourism is used synonymously with travel with all these different motives. However, the analysis of business tourism and VFR accounts for a particularly important part of it. Youell demonstrated the importance of business tourism and VFR to tourism development in this way: 'Visiting friends and relatives (VFR) is a significant, if often overlooked, category of tourism in many developed and developing nations... On first analysis, it may be difficult to understand how it is that somebody who stays free of charge with a friend or relative in their home is helping tourism in an area. The answer lies in the fact that a visitor, although enjoying free accommodation, is likely to spend money on other goods and services in the locality, such as food, entertainment and transport, so contributing to the local economy. Indeed, the very fact that he or she is not paying for accommodation may well be an incentive to spend more on such as eating out and entertainment'⁷⁶ and 'although business tourism generally accounts for a relatively small proportion of a country's share of all tourism activity, its economic importance is often greater than comparable leisure tourism activity. This is because business tourism is high value tourism, with business travelers often paying premium rates for travel, entertainment and accommodation, both for prestige purposes and as a penalty for the short lead time of many business trips'.⁷⁷

Secondly, this study is focused on the field of outbound tourism. According to World Tourism Organization outbound tourism involves residents traveling in another country...⁷⁸ and therefore it is generally classified together with inbound tourism within the catalog of international tourism. In any country, international and domestic tourism markets are important segments of the tourism industry. Therefore, tourism policy should include the direction for both of them. National tourism policy is actually intended to adjust the direction of each market according to the situation of the national economy and politics. Although outbound and inbound tourism are both aspects of international tourism, their status in tourism policy has been quite different. By contract with the trade in material commodities, inbound tourism is export and outbound tourism is import. In Edgell's words, 'tourism is invisible in the sense that, as an export product, it is not produced, packaged, shipped, or received like "hard" goods. Consumers bring themselves to the point of sale, pay for the product (services) and, at some point in the future or almost immediately, receive the services'.⁷⁹ Because of its importance, the industry of inbound tourism is usually considered as the

⁷⁵ Ray Youell 1998, p.13

⁷⁶ Ray Youell 1998, p.13

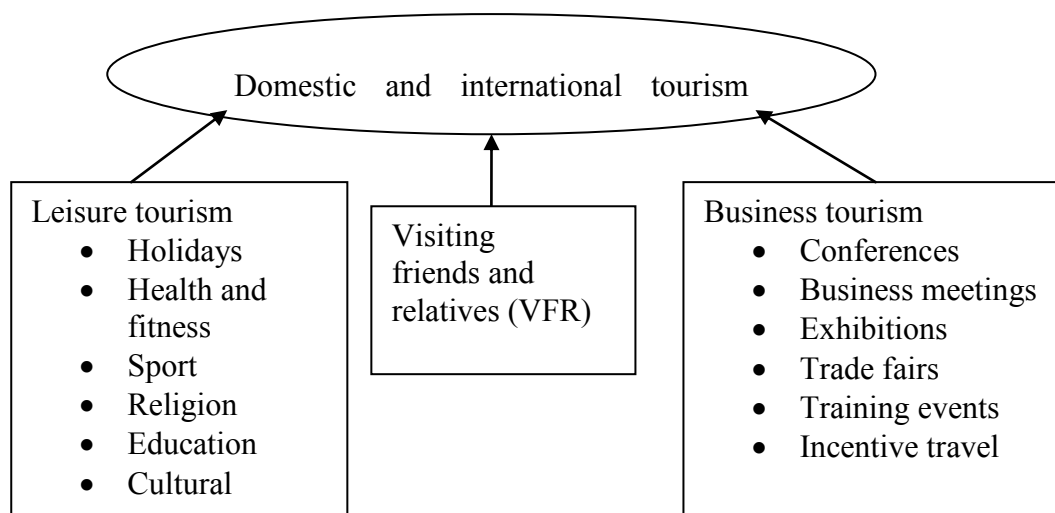
⁷⁷ Ray Youell, 1998, p.12

⁷⁸ WTO, *Tourism: 2020 Vision-Executive Summary* [R]. Madrid: World Tourism Organization, 1997

⁷⁹ Edgell, David, L, 1990, *International Tourism Policy*, Van Nostrand Reinhold, New York, p.2

generator of foreign exchange and national income. That is why developing countries such as China prefer to give the priority to inbound tourism. Due to the direction of government policy, the priority given to outbound tourism is much lower than that given to inbound tourism in some countries. In line with this, much less research into outbound tourism is usually done than that into inbound tourism. Given the demands of theory and practice, my study concentrates on the issue of outbound tourism. In order to explore the intrinsic relation between policy and the development of outbound tourism, many documents published for overseas travel will be analyzed in their entirety. Consequently, those regulations and documents that concern only domestic and inbound tourism will be largely excluded from my research. However, although policies related to domestic and inbound tourism are not the part of my study; reference will be made to their development in my thesis when it is important. In virtue of the comparison of these three aspects, the state of outbound tourism in China will be now introduced more clearly.

Figure 1-1 Classification of tourism according to the purpose of travel



Source⁸⁰:

Thirdly, my research is mainly on the macro-policy. Tourism policy is generally classified into many categories representing different levels of tourism. As Hall said, every government must have a policy for tourism both at national and local level.⁸¹ Further, 'local, state/provincial, regional and national governments and other regional and global organizations with leverage such as the United Nations World Tourism Organization and the World Travel and Tourism Council help determine tourism policies that best represent the business environment, local community interests in tourism

⁸⁰ Youell Ray 1998, p.12

⁸¹ Hall.C. Michael, 1994, *Tourism and Politics*, Wiley, Chichester, UK, p.12

and governmental structure. Numerous tourism associations and organizations seek to influence tourism policy'.⁸² Because of its unitary governmental systems tourism planning and promotion are controlled by the central government in China. For this reason, my study is focused on tourism policy of national scope. In one words, this study is to analyze macro-policy of tourism at state level against the background of macroeconomics and macro politics.

Generally, macro policy is seen as the government's guidelines for the development of a certain industry and they reflect broad aims and objectives. Tourism plays an important role in the national economy in undeveloped countries, which explains why their governments pay so much attention to it. Many years ago Hall has summarized the situation thus, 'tourism is often given a major role by government in regional development strategies for economically marginal areas and is a major force for modernization in less developed countries, but also in marginal areas of the developed world'.⁸³ China was and still is an undeveloped nation in which the management of tourism was controlled very strictly by central authority. This means that the development of tourism is heavily dependent upon national plans and policy. Moreover, 'from macro-scope, tourism policy needs to be considered as potentially subsumed beneath a broader range of government economic, social, welfare and environmental policies'.⁸⁴ This means that tourism policy within the macro-scope is a broad field. However, my study discusses mainly the legislation and regulation of tourism policy. In order to explore the root of policy-making and adjustment, I will first give an introduction to economic development and the shift in ideology and the political system, with a special emphasis on the latter aspect: 'to explain policy maintenance and policy change, one needs to explore the socio-political conditions in which the political system operates, examining in particular the extent to which outputs are conditioned by external influences. Thus the vital task of the policy analyst is to explore the links between the environment, the political system and policy outputs and impacts'.⁸⁵ Moreover, the current situation in China is a product of political reform. Therefore, my dissertation will focus on the effect of the changes in ideology and the political system. However, discussion of the economy also occupies a lot of space in my study, as I concur with the view that 'tourism is not only a "continuation of politics" but an integral part of the world's political economy'.⁸⁶

Finally, the study is limited to the mainland of China from 1978 to 2008. Because of its complex history, the concept of China is easily misunderstood. The Republic People's of China (P. R China) is the country on which my study is focused, and it is totally different from the Republic of China

⁸² David L. Edgell, Sr Maria Delmastro Allen Ginger Smith Jason R. Swanson, 2008, p.9

⁸³ Hall.C., 1994, p.114

⁸⁴ Hall. C, 1994, p.45

⁸⁵ Jenkins, W.I., 1978, *Policy Analysis: a Political and Organizational Perspective*, St. Metin's Press, New York, pp.26-27

⁸⁶ Edgell, Sr, David L. 1990, *Charting a Course for International Tourism in the Nineties, An Agenda for Manager and Executions*, US Department of Commerce, US Travel and Tourism Administration, Washington, DC.

(Taiwan). These two Chinas used to be one country, but since the Civil War (1945-1949), they have been separated, ruled by two different Parties of China. The CCP (Chinese Communist Party) set up P.R China in 1949, while CNP (Chinese Nationalist Party) controlled the island of Taiwan and named it the Republic of China. There have been no official relations between the two, and this still the situation today. Moreover, there are two different economic-political systems in P. R China and R. China. As result of which their policies for economic development are very different. My dissertation is focused on the research of policy on outbound tourism in P. R China. The core purpose of this study is to explore the special process of development of outbound tourism in a socialist nation, and in particular, changes in the policy on outbound tourism and the impact of policy on the industry of outbound tourism since 1978. Because of the reform of politics and economy since 1978, the social environment in China became very complex. Along with the establishment of the socialist-market economy, China's political system has altered considerably since the days of traditional socialism. Tourism policy was greatly adjusted in line with the change in the social situation. The industry of outbound tourism has evolved hugely, especially during recent decades. The study of policy adjustment and the development of outbound tourism in the period 1978-2008 is therefore very important.

Chapter 2 A Historical Review of Outbound Tourism in China

As a country with a history stretching back over two thousand years, tourism in China has a long history. According to the division usually adopted by Chinese historians, there were three periods of tourism in China: ancient tourism (before 1840), modern tourism (1840---1949) and cotemporary tourism (1949---now). Because of the different social, political and economic background, tourism in these different periods had different features. Nevertheless, many of the current characters of Chinese tourism are also related to the country's historical heritage. For this reason a retrospective look at tourism history is useful in order to understand the recent tourism phenomenon in China.

2.1 Outbound Tourism before 1840

Outbound travel from China dates back to China's origins. China is one of the four earliest civilizations, and Chinese are very proud of their four great inventions: the compass, printing, gunpowder and paper. Although the precise origins of these inventions are still being disputed, their age gives an indication that China had advanced civilization very early on. Moreover, Chinese emperors of every dynasty were proud of the extent of their territory and rich natural resources. In order to demonstrate their power and make smaller polities surrounding China tributary, governments often sent deputies abroad. With government support the scale of Chinese ancient overseas travels was very extensive and its impact was very profound. The events described below illustrate the features and national policy of outbound travel in ancient China.

Two thousand years ago, Zhang Qian traveled to the lands west of China as the ambassador of the Han dynasty of China, taking an entourage of 100 people. The diplomatic journey of Zhang Qian was recorded in writing and is well known in China. His trip not only improved Chinese geographical knowledge of western regions, but also enhanced the exchange between China and those countries. In the map of

Figure 2-1 we can see that Zhang Qian started from Xi'an in China and reached many surrounding small polities, reaching even Iran and Afghanistan. Historically, this trip marks the origin of the famous North Silk Road.⁸⁷

Figure 2-1 Map of Zhang Qian to West Region



Source⁸⁸: www.Chinahighlights.com, access date 2006-07-18

Following on from the pioneering work of Zhang Qian on what became the northern silk road, a monk of the Dongjin dynasty (more than 400 years after Zhang Qian) and Tang dynasty (about 700 years later than Zhang Qian) –Xuan Zang whose story has been elaborated in the famous ancient novel *Journey to the West* traveled from Chang'an to India, their track is most same with South Silk Road. Therefore, Silk Road was from the religious demand at some extent. However, the establishment of the Silk Road enabled trade and diplomatic contact between China and western countries as well. Because of great contribution on this exchange to both eastern and western civilizations, UNESCO recently launched projects to restore features of the Silk Road in order to promote east-west exchanges in the 21st century.⁸⁹

⁸⁷ Wu Xinhua, 2004, *China Ancient Silk-Road*, Sichuan People's Press, p.28

⁸⁸ The map in Chinese can be found in Wu Xinhua, 2004, p.27

⁸⁹ UNESCO: United Nations Educational, Scientific and Cultural Organization. The project on an 'Integral Study of the Silk Roads: Roads of Dialogue' examined the various types of contact and exchanges which took place along these roads and their impact on the history and civilizations of our modern world, shedding light on the many identities and common heritage of the people's involved. UNESO, <http://portal.unesco.org>, 2008-03-19, access date 2009-05-23

Christopher Columbus (1451-1506) became a world-famous navigator as a result of his voyage to America. However, there was a great Chinese navigator eight-seven years earlier than Columbus, Zheng He (or Cheng Ho, 1371-1433), and he has been recognized as a great global navigator, even thought of as ‘another great traveler following Marco Polo and Ibn Battuta. Emperor Yung Lo chose Cheng Ho to organize a huge armada of ships to announce to the world his great accomplishments in China, sparing no costs. Cheng Ho completed seven times voyages within thirty years with more than 300 vessels and approximately 37,000 men in the crew. At that time, the world had never seen such extravagant ships, the admiral’s ship was reportedly 444-feet long (see Figure 2-2).⁹⁰ Cheng Ho visited nearly every inhabited land bordering the China Sea and the Indian Ocean. His travel set the stage for future travel and explorations.⁹¹ In the book *1421 The Year China Discovered the World*, British Menzies even claimed that Zheng He's sixth voyage got to Latin America as early as eight-seven years before Columbus.⁹² Though Zheng He has not yet been generally accepted as the discoverer of the New World, his seven recorded voyages completed the task set by China’s government admirably.⁹³ They not only made the Ming Dynasty better known to all the countries they reached, but they displayed it’s power and created the economic and cultural connections between China and those countries. The people of Asia in particular benefited from this trade access. This is why there are many statues and temples of Zheng He in the countries of south Asia.⁹⁴ (see the Figure 2-3)

The brief history outlined above shows that outbound journeys from ancient China were concentrated on the national mission or religious interests. Strictly speaking, they were not tourist journeys, but diplomatic missions. Nevertheless, the fact that they occurred indicates that ancient China recognized the importance of outside communications to politics and the economy a long time ago. In order to show their own power and establish diplomatic connections, China’s emperors offered strong financial support to those long-distance oversea ventures. Therefore it has been said of them that ‘while highly organized and exceedingly well planned, the ‘policy’ was to let the world know of the great Chinese empire and not necessarily to increase tourism’.⁹⁵

⁹⁰ Preparing Committee to Anniversary 580 of Zheng He, 1985 *Zheng He Voyage*, People’s Transportation Press, p.80

⁹¹ David L. Edgell, Sr, Maria Delmastro Allen, Ginger Smith, Jason R.Swanson, 2008, p.41

⁹² Gavin Menzies, *1421- The Year China Discovered The World*, Bao Jiaqing (Trans), 2003, Yuanliu Publishing Co. Ltd, Taipei, 2003, pp.136-137

⁹³ ZhangXihua (ed.), 1985, *Comments on Zhenghe’s Voyage*, Sea Press, 1985, p.51

⁹⁴ Zeng Ling (ed.), 2008, in *East-Asian ‘Zheng He Memory’*, Huangshang Press. This gives an introduction, Zheng He still commands great respect as he helped Chinese to communicate with the local people and rulers. Zheng He himself was a Moslem, which gained the affection of many of the people he visited.

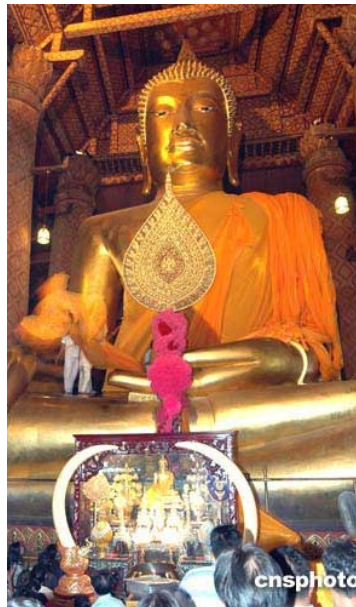
⁹⁵ David L. Edgell, Sr Maria Delmastro Allen Ginger Smith Jason R.Swanson, 2008, p.41

Figure 2-2 The rebuilding of Zheng He's ship



Source: www.sz.Chinanews.com.cn/zgzh/2004-04-16, access date 2005-09-15

Figure 2-3 The temple for Zheng He in Thailand



Source: www.sz.Chinanews.com.cn/zgzh/2004-04-16

2.2 The Advent of the Tourism Industry 1840-1949

It is well known that the two Opium Wars of 1840-1842 and 1860-1864 were watershed events in Chinese history, after which China stepped into the modern age. Therefore, it can be concluded that China was forced to modernize by foreign invasion.⁹⁶ The beginning of modern Chinese society was therefore flavored with the tragedy. Ironically, outbound tourism from China did not decline because of the defeats in the Opium Wars, but it was promoted largely because of the openness

⁹⁶ Zhang Lili, 1998, *China's Modern Tourism Development in Economic Perspective*, Press of Tianjin University p.52

policy. The first Chinese tourist agency's activity was highly stimulated by migrants and students abroad, its service was highly developed and it reflected the industry of modern tourism in China has been established.

- **The labor-migration**

At the end of Ming Dynasty, as result of pirate's intrusion, the government had to adopt a seclusion policy forbidding inhabitants of coastal districts from going to sea or trading with foreign countries, even from building big vessels, a policy known as the Maritime Ban.⁹⁷ But after the Opium Wars, China gradually changed into a semi-colonial and semi-feudal society, and western culture took the upper hand in the cultural conflict.⁹⁸ The door was actually opened, when the Qing Government sent the first students to foreign countries. Then labor migration started to increase. Some Chinese scholars have said that rapid development of tourism is only a recent phenomenon, but it is also closely related to a historical tradition of migration and mixed inhabitation.⁹⁹ In the book *China's Modern Tourism Development from Economic Perspective* Chinese researcher Lili Zhang noted that because of the restricting customs of feudal morality, most Chinese were satisfied with staying on their own land and following the traditional life of the pre-Opium War period. Therefore, they lacked any motivation to go abroad. However, after the Opium Wars foreigners brought information about work opportunities abroad which awakened among some people a desire to leave China.¹⁰⁰ According to American records Chinese were the earliest non-European immigrants to America. It is recorded that 'due to the California Gold Rush, by the year 1851, there were 25,000 Chinese workers in California. Mostly, they centered in and out of the "Gold Rush" area and around of San Francisco. During that time, more than half the Chinese in the U.S. lived in that region. These Chinese clustered into groups, working hard and living frugally. As the populations of these groups increased, they formed large cities of ethnic enclaves called "Chinatowns" all over the country'.¹⁰¹ The picture in Figure 2-4 provides evidence that many Chinese workers worked during the Gold Rush in the U.S. Figure 2-5 and the Table 2-1 also clearly show that the rate of outbound people from China was continually higher than that of Americans from the U. S. between 1908 and 1919. For example, in 1913 the population of China was 441.98 million, and the number of outbound people was more than 3 million (this number certainly included those people going to abroad frequently), while the number of outbound people in U. S in that year was only 0.25 million out of 97.227 million of population. Because of China's weak economy, the number of outbound tourists

⁹⁷ Xu Rihui, 2008, *Culture History of China Tourism*, Heilongjiang People's Press, p.260

⁹⁸ Ma Yong, Yu Donglin and Zhou Xiao, 2008, *Compendium of China Culture History*, China Guangdong Press, p.366

⁹⁹ Luo Jiezheng and Wu Hualin (trans), 1989, Tourism Education Press, *International Tourism Economy and Policy*, Francois Vellas, *Economie Et Politique du Tourisme International*, Economica, 1984. p.1

¹⁰⁰ Zhang Lili, 1998, p.109

¹⁰¹ www.library.thinkquest.org/20619/Chinese.htm, access date, 2007-11-16

and businessmen from there was, unsurprisingly, lower than that from the U.S. However, in Figure 2-5 we can see that the rate of travelers outbound from China was continually higher than the rate for the U.S. The comparison indicates that the phenomenal wave of people leaving China at the beginning of the 20th century comprised migrant workers and other people with no interest in sightseeing or business. Historically, the experiences of these first people abroad offered more reliable information about foreign countries than that available in China and attracted more Chinese including tourists to go abroad. From this point of view, the wave of outbound migrants was very important to the emergence of outbound tourism in China in the modern era.¹⁰² Currently, the impact of migration on outbound tourism has attracted the attention of scholars, particularly in China. This is because ‘migration will affect outbound tourism since it will cause VFR’¹⁰³ and it is very difficult to distinguish tourists and immigrants, because it is impossible to identify every person passing the borders.¹⁰⁴

¹⁰² Zhang Lili, 1998, p.110

¹⁰³ China Tourism Institute, *Annual Report of China Outbound Tourism Development 2007&2008*, p.32

¹⁰⁴ Luo Jiezhen and Wu Hualin (Trans), 1989, p.3

Figure 2-4 Some of the first Chinese migrant workers in Gold Rush in California of U.S. A



Source: <http://hexun.com/ainuo2008>, access date 2008-03-01

Figure 2-5 The comparison of rate of travel abroad between China and United States

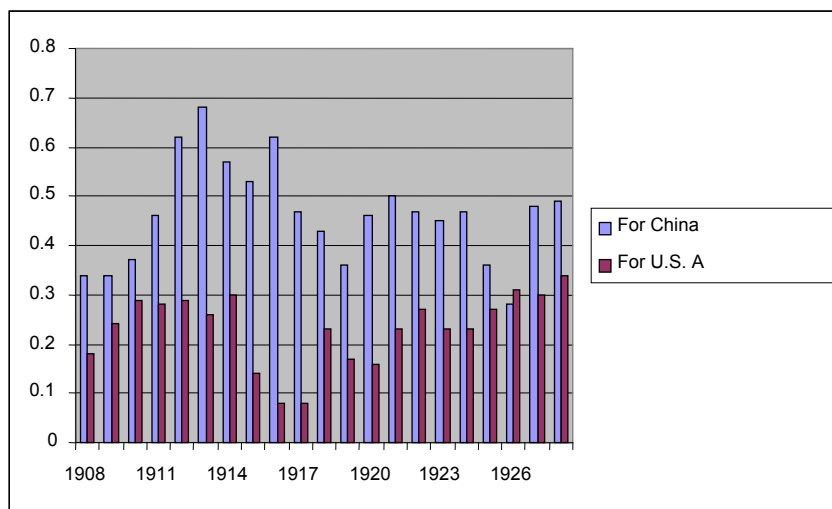


Table 2-1 the comparison of rate of outbound people between China and United States

Year	China			US		
	Population (million)	Number of outbound people (million)	Rate of travel abroad %	Population	Number of outbound people (million)	Rate of travel abroad %
1908	438, 214	1, 473	0.34	88, 709	0,159	0.18
1909	439, 214	1, 481	0.34	90, 492	0,215	0.24
1910	438, 245	1, 633	0.37	92, 407	0,271	0.29
1911	437, 996	2, 014	0.46	93, 868	0,258	0.28
1912	441, 983	2, 760	0.62	95, 331	0,274	0.29
1913	441, 983	3, 008	0.68	97, 227	0,256	0.26
1914	441, 983	2, 529	0.57	99, 118	0,299	0.30
1915	445, 873	2, 374	0.53	100, 549	0,142	0.14
1916	445, 873	2, 754	0.62	101, 966	0,087	0.08
1917	439, 405	2, 086	0.47	103, 266	0,811	0.08
1918	439, 405	1, 894	0.43	103, 203	0,232	0.23
1919	440, 934	1, 603	0.36	104, 512	0,194	0.17

Source of Figure 2-5 & Table 2-1

The number of American population is from Statistics of Main Capitalist Counties 1848-1960, p.6

The number of American outbound people is from History Statistics of the United States, Colonial Times to 1970, p.119

The number of Chinese population and outbound people is from Notebook of Chinese Customs House

• Students abroad

After the Second Opium War, some Chinese, including scholars and officers, concluded that the failures in both wars was because of the weakness of their nation; therefore, they advocated a movement (Yangwu)¹⁰⁵ to learn the advanced technology and military science from the western capitalist countries which had invaded China in these wars. Since the purpose of the Yangwu movement was to learn from western counties, it is also known as the westernization movement.¹⁰⁶ As the aim of this movement was to strengthen and protect the authority of the Qing Dynasty, it was given the powerful support from the government from 1860s to the beginning of the 20th century. In order to broaden the scope of this movement from the mere acquisition of military-related technology, to acquire also wider social, economic, and political knowledge, and most importantly to establish modern education, the government sent many students.¹⁰⁷ Before the Opium Wars, there were no lectures on modern science in the universities of China. Therefore, training students in modern science and technology was the first goal in the completion of the program of the Yangwu movement. The program to send students abroad was planned to run fifteen years from 1872 to 1887,

¹⁰⁵ Xu Tailai, 1985, *Research on Yanwu Movement*, Sichuan People's Press, p.5

¹⁰⁶ Xu Tailai, 1985, p.5

¹⁰⁷ Zhang Xiaoli, 2005, *Government Policy of Study Abroad in New Management in Student abroad and Chinese-Western Culture*, Nankai University

but, it lasted for only 4 years.¹⁰⁸ Despite its short existence, the influence of this program was very profound. First of all, it trained many people with the modern knowledge necessary to implement the Yangwu movement. From Figure 2-6 it can be seen that students were sent abroad at a very young age, as a result of which they could acquire the necessary language and knowledge over quite a long time and obtain a good education. Many distinguished people were trained during that time. For example: Zhan Tianyou -the first Chinese railway designer, was one of the first students abroad. Moreover, the experience of these students made Chinese change the impression of western countries, thus reducing their dread for going abroad.¹⁰⁹ Most of all, the achievements of returnees led the Chinese to recognize the benefits of studying science and technology. As a result, more and more Chinese families sent their children abroad even at their own expense since then. According to statistics there were 4,000 - 4,500 Chinese students abroad in each of the years during from 1928 to 1930. Of these, about 1000 people were in Europe, 1200 in the U.S and 2000 in Japan.¹¹⁰ It is a common viewpoint that there was no fundamental change in the economy and politics of China after the Yangwu movement-this may be so, but, the way the Chinese thought about the external world changed radically. After this movement, learning from advanced western countries became very popular with everyone from officials to citizens, as a result of which it created a good foundation for foreign study.¹¹¹ Later history shows that each wave of outbound tourism from China has been closely tied to an upsurge in studying abroad, suggesting a close link between the two. This kind of travel still accounts for an important part of Chinese outbound tourism.

¹⁰⁸ Rong Hong, 1981, *My Life in China and America*, Hunan People's Press, p.87

¹⁰⁹ Students with national support should be sent at 5-12 years old, see Shu Xincheng, 1961, *Materials of China's Modern Education*, People's Education Press, p.192

¹¹⁰ Zhang Xiaoli, 2005, p.221

¹¹¹ Hu Sheng, 1982, *From Opium War to Wusi Movement*, Hongqi Press, p.218

Figure 2-6 First students abroad of China



Source: abroad.163.com/20LFLUDU00271H3.html, access date 2006-06-14

Although not everyone regard the labors-migration and travel abroad for study purposes as tourism, the increase in both aspects encouraged and required the development of services for them. In addition, along with the development of the domestic economy after the *Yangwu* movement the business of domestic travel became very popular as well. On 30 May 1923, in order to handle both internal and outbound journeys the first Chinese-run travel agency was established, *the Travel Department of Shanghai Commercial and Saving Bank*.¹¹² After four years of development, it became an independent enterprise from Shanghai back and renamed the *China Travel Service (CTS)* in 1927. As it adopted the practices of foreign travel agents, the initial service of CTS was very comprehensive. Their services included:

- Selling railway and ship tickets.
- Issue of travel cheques.
- Receiving and transporting the tourists and their baggage.
- Acquiring visas for students and tourists abroad.
- Planning travel itineraries for tourists.
- The issue of the travel magazines: *Guide to Travel in America*, (1923) *Guide of journeying in Sichuan*, (1924) and *Travel* (1927).¹¹³

This list shows clearly that the service of the Chinese first travel agency was very extensive. Additionally, because of its high quality service, its development was very fast; Table 2-2 shows this, within six years (1931-1937) they had increased the number of their branches to forty-three

¹¹² Financial Institute of Shanghai Branch of China Bank, 1990, *History sources of Shanghai Business Bank*, Shanghai People Press, p.827

¹¹³ Financial Institute of Shang Hai Branch of China Bank 1990, p.828

and their business increased rapidly throughout China.¹¹⁴ Although the CTS initially focused its services on domestic business, it also catered for international travel. According to the record, 70% of the Chinese students who went abroad in 1923-1927 did this through the CTS, and this formed the majority of their business.¹¹⁵ Most notably, they successfully organized the first holiday group, which traveled to Japan in 1926, the pioneering operation in group-tourist travel abroad from China. Subsequently, sightseeing was listed as part of the Chinese tourist service. Historically, CTS was very important as the prototype of modern travel agency of China.¹¹⁶ However, despite its importance, this contribution has been ignored in the tourism history of China. The reason for this neglect is that the CTS was running in the period of CNP rule (Chinese Nationalist Party, Kuomintang) which dominated China from 1911 to 1949 and was the opponent of the CCP (Chinese Communist Party). Because of the political conflict between CNP and CCP, the achievements of the CNP period have been largely ignored by the CCP since the establishment of P.R China. However, the emergence of modern tourism should be traced back to the establishment of the China Travel Agency in 1923.

To sum up, there is no simply explanation of tourism policy between 1840 and 1949, but it can be said that there was a continual increase in the number of outbound people and that the period marks the advent of the tourism industry. The activity of the first travel agency showed that during that period the tourism policy of governments was very open. Due to the defeats in the Opium Wars, the Qing dynasty started to open the door to foreign travel and allow the citizens to work and study abroad, even paying for this study abroad with the public purse. After the collapse of the Qing dynasty in 1911 the Chinese Nationalist Party did not set up any obstacles to travel service, and because of this favorable environment the first travel agency was founded in 1923. It could be said that the tourist policy of ancient China let the world know about China, while the tourist policy in modern China from 1840 to 1949 led Chinese know about the world.

¹¹⁴ *The archives of China Travel Agency* in Archives Administration of Shanghai, file number: Q368-1-36, Q368-1-37

¹¹⁵ Zhang Lili, 1998, p.234

¹¹⁶ Zhang Lili, 1998, p.235

Table 2-2 The branches of the China Travel Service

Name	Date of establishment	Name	Date of establishment
Kaifeng agent	01.01.1931	Hongkou agent of Shanghai	16.11.1931
Baxian agent of Shanghai	01.12.1931	Wuhu agent	01.12.1931
Zhenjiang agent	01.18.1932	Shanzhou agent	18.01.1932
Luoyang agent	03.1932	Beizhan agent of Shanghai	04.1932
Changsha agent	10.09.1932	Tongguan agent	10.02.1933
Yichang agent	10.06.1933	Jinhua agent	02.07.1933
Xugou agent	07.09.1933	Jinan agent	11.09.1933
Nanjinglu agent of Shanghai	11.10.1933	Xinpu agent	01.11.1933
Guangzhou agent	01.11.1933	Xinya agent of Shanghai	01.03.1934
Yuyuanlu agent of Shanghai	04.1934	Shijiazhuang agent	05.1934
Hengyang agent	21.08.1934	Xinjiapo agent	15.10.1934
Defudao agent of Hongkong	10.11.1934	Xiaobailou agent of Tainjing	15.12.1934
International agent of Shanghai	01.01.1935	Dongcheng agent of Beiping	05.01.1935
Xicheng agent of Beiping	20.01.1935	Lijian agent of Tianjing	01.02.1935
Xian agent	27.03.1935	The agent of international trade of Shanghai	04.04.1935
Qinghuangdao agent	01.05.1935	Xiaguan agent of Shanghai	12.06.1935
Beidaihe agent	20.06.1935	Wuchang agent	01.09.1935
Nanchang agent	01.11.1935	Shantou agent	15.01.1936
Xiaodongmen agent	01.05.1936	Xiaguang agent	01.05.1936
Lianyungang agent	01.08.1936	Changzhou agent	01.09.1936
The agent of Liuguo hotel	22.09.1936	Hefei agent	01.12.1936
Zhajiag agent of Shanghai	13.06.1937		

Source: the archives of China Travel Agency in Archives Administration of Shanghai, file number: Q368-1-36, Q368-1-37

2.3 Tourism in New China 1949-1978

Generally, governments ‘committed themselves to the development of their international tourist industries in the firm belief that to do so would bring substantial economic benefits to their respective countries. Foreign exchange earnings and the creation of employment opportunities were identified as the major reasons for tourism development also taken into consideration’.¹¹⁷ However, when the P. R China was founded, tourism was largely a branch of foreign affairs, which means that tourist reception was operated without considering cost or following economic laws, because the government would offer subsidies to balance the payments.¹¹⁸

¹¹⁷ John Walton, 1993, *Tourism and economic development in ASEAN* in Michael Hitchcock, Victor T. King and Michael J.G. Parnwell (ed.) *Tourism in South-East Asia*, London, p.214

¹¹⁸ Wei Xiaolan and Zeng Bowei, 2009, p.105

• The International environment of New China (1949-1966)

It is well known that with the collapse of the Soviet-American alliance following the Yalta Conference of February 1945, the U.S.S.R established an Iron Curtain from Stetting to Trieste as an initial defensive maneuver both to control the political structure of Eastern Europe and to prevent the reestablishment of free and united Germany.¹¹⁹ This famous manifestation of the Cold War indicated that the new China established in 1949 by the Chinese Communist Party would be isolated by Western countries anyway. Therefore, the initial object in the diplomatic policy of P.R. China was to break the isolation placed on it by western nations. The following four guidelines for the initial diplomacy of P.R. China in Table 2-3 were focused on the establishing links with socialist countries and removing all trace of the impact of the old diplomatic relationship. In association with national diplomatic policy, the guideline of Chinese tourism policy was **‘the politics was direction; progress steadily; development gradually.’** Unbelievably, almost all foreign visitors could once visit China almost free of charge. In 1957, the State Council approved *Report on receiving foreign tourist at their own expense to absorb foreign exchange and future opinion* offering half price concession to tourists traveling through travel agencies, and free travel for a certain distance or a certain amount of services free of charge. Later, *Preference Approaches on transport cost of international travelers at their own expense* was issued. International travelers could enjoy half price discount by train and ship and 25% discount by air.¹²⁰

Table 2-3 The principle of the initial diplomacy of P.R. China

Title	Meaning
‘new cooking implement’	Not recognizing old diplomatic relationships and establishing new diplomatic relation
‘invite guest after cleaning room’	Eliminate the power of imperialism in China first, establish diplomatic relations with Western countries later
‘one side’	Stand firmly on the side of socialism.
‘Solidify World people.’	Including those people in capitalist countries.

Source: History of P.R China, He 1999, p.29

¹¹⁹ www.historyguide.org/europe/churchill.htm, access date 2008-12-5

¹²⁰ Wei Xiaolan and Zeng Bowei (eds.), 2009, P.107

- **The impact of the Great Culture Revolution (1966-1976)**

Before 1978, tourism was believed to be capitalistic and deserving of criticism and this trend reached its height during the Great Cultural Revolution which lasted from May 1966 to October 1976.¹²¹ The Great Culture Revolution was a political movement Led by Mao Zedong, most students and young people were involved in it. One of aims of this political movement was to destroy the so-called Bourgeois Command and to seize power back from them.¹²² During this period, not only were many of historical artifacts destroyed, but lots of people were persecuted. To an extent the situation during the destruction wrought by this political movement may be considered nothing less than a civil war.¹²³ For this reason, it is often called ‘the catastrophe of ten years’. The whole national economy was impacted during this chaos. In particular, the weak tourist industry was nearly destroyed. On the one hand, foreign tourists were scared by the disorderly political situation and poor security and gave up traveling to China, while, on the other hand; the system of receiving tourists in China was virtually destroyed. The Bureau of Travel and Tourism (BTT was renamed by CNTA in 1981) almost collapsed during that period. Only twelve people were on duty in the office of BTT and most interpreters and officers were persecuted. Since travel was regarded as a form of bourgeois lifestyle and was strongly rejected by “revolutionaries”, the social environment was more hostile. As a result, tourism declined disastrously. For instance, China Travel Service only received 303 foreigners in 1966.¹²⁴ In one famous case, Wang Guangmei who was then first lady, was persecuted and humiliated for many years subsequent an overseas diplomatic trip with her husband. Her dress and behavior (see the picture in

Figure 2-8) were criticized as representations of the bourgeois class and she was forced to appear before a mass gathering of over ten thousand people. The picture in Figure 2-9 recorded that dark moment. This shows clearly that the Great Culture Revolution was a dark age for both inbound and outbound travel.

Ironically, at the beginning of the Great Culture Revolution there was a wave of political travel within China, unprecedented there and perhaps in the world as a whole.¹²⁵ In fact, it was free travel or a kind of tourism supported by national finance. Though it is rarely mentioned in any tourism history of China, its influence was profound for the tourist industry. After the Great Culture

¹²¹ Xu Rihui, 2008, p.260

¹²² There is lots of literatures telling the history of the Great Culture Revolution, such as *Decade of Culture Great Revolution* (Wang Nianyi, 2005, Hunan people’s Press), while students in schools and universities being the leading actors in all books.

¹²³ At the Center Working Conference of December 13, 1978, Ye Jianying(vice -Chairman of PPC 1978-1983) said that including those were invloved ,there are more than 100 million people were persecuted which is one out of the nation’s population, and this lesson is cruel. Source is from Wang Nianyi, 2005, p.539

¹²⁴ Han, 1994, p.35

¹²⁵ Yan Fan, *Dachuanlian-Unprecedented Political Travel*, Police Press, 1993, p.4

Revolution had started, the students created an organization - 'Red Armband' (Hong Wei Bing) which claimed to protect Chairman Mao Zedong. In order to hear Mao Zedong giving his direction in person, great numbers of Hong Wei Bing went to Beijing, and this was called the 'Great Connection' (Da Chuan Lian).¹²⁶ The picture in Figure 2-7 was taken as Mao Zedong addressed the Hong Wei Bing on Tiananmen Square. The memoirs of a student remarked that: 'the train was like a tin of sardines'.¹²⁷ Although lots of students and young people were traveling during the period of 06.1966-12.1966,¹²⁸ the tourism industry did not get much benefit; quite the reverse, it suffered greatly because these journeys were nearly free of charge. Some schools and factories were obliged to receive students as political task without asking payments. More than that, local governments gave cash to those students.¹²⁹ Unquestionably, the 'Great Connection' created a fever for domestic travel during the Cultural Revolution, but it slowed down the development of a commercial tourism industry. National government support for the Great Connection showed that the tourism policy of China was still driven by political demands not economical consideration. As Yan concluded, this movement was sponsored because of politics and those who participated also because of politics.¹³⁰

Figure 2-7 Mao Zedong interviewing Hong Weibing on the Tiananmen



Source: http://news.China.com/zh_cn/history/photos/11025921/20050818/12581994.html

¹²⁶ Yan Fan, 1993, p.10, The president Mao Zhedong interviewed some deputies of Howeibing in Figure 2-7 on Tiananmen, and then more and more students went to Beijing.

¹²⁷ Yan Fan, 1993, p.111-116

¹²⁸ During the period 29.07.1966-12.08.2009 about 71 000 people went to Beijing for Dachuanlian. Data is from Yan Fan, 1993, p.10

¹²⁹ Yan Fan, 1993, p.11 & p.12

¹³⁰ Yan Fan, 1993, p.4

Figure 2-8 The business trip of First lady -Wang Guangmei in 1963



Source: book.sina.com.cn/yylcmybl/excerpt/eduhissz/2007-11-08, access date 2008-12-19

Figure 2-9 Wang Guangmei-First lady in the Great Culture Revolution



Source is from <http://ccng02063.blog.163.com/blog/static>, access date 2008-12-19

Chapter Summary: Politics and Outbound Travel in China

The historical review above told us that even in ancient times; the Chinese government provided great supports for long overseas journeys to achieve political objectives. These travels promoted

exchange channels like the silk roads on land and on the oceans, and even profoundly influenced the maritime history. After a long period of passivity, in order to improve governmental efficiency under the Qing Dynasty, the *Yangwu* Movement was started with the advocacy of some politicians. As a result, many Chinese went abroad actively seeking scientific knowledge and looking for a better life, and thus the tourism industry emerged and developed rapidly. But the young Chinese tourism industry was killed off by political turbulence, first the war against Japanese and then the Civil War. After the foundation of the P.R. China, due to political isolation, tourism was used as a political tool to enhance communication with other socialist countries. Later, there was a wave of political travel without economic profits during the Culture Revolution. In one word, tourism was tightly tied to politics in the period before 1978, and because tourism policy was mostly determined by political considerations and Chinese tourism industry stagnated for almost thirty years.

Chapter 3 Attempts at Outbound Tourism under the Policy Vacuum (1978-1996)

Chinese scholars are unanimous in thinking that the real development of tourism industry in P.R China started after 1978, when the policy of reform and the ‘open-door’ policy was launched at the third meeting of the 11th Congress of the Chinese Communist Party (CCP).¹³¹ However, this means only that a heightened awareness of tourism’s potential economic benefits in China ultimately derived from the demands of a new national direction. During the early reform era tourism was still regarded mainly as an instrument to gather foreign exchange. In 1987, inbound tourism development was declared to be a desirable economic activity for the purpose of earning foreign exchange and was included in the national plan for social and economic development for the first time. CNTA admitted that to ‘**greatly develop inbound tourism**’ was the tourism policy at the beginning of Reform and Opening¹³² and high priority was given to attracting and receiving inbound arrivals. As to the industry of outbound tourism, no regulation or legislation for it was issued by the Chinese authorities, and the concept of outbound tourism was not even officially recognized until 1997. Thus the period 1978-1996 is called the policy vacuum for outbound tourism.¹³³ But it was during this period that outbound tourism in the form of visiting relatives and border tourism emerged and developed quickly. It seems that, outbound tourism was in a very contradictory situation. On the one hand, outbound tourism was excluded from national tourism policy in order to control its rapid evolution and prevent foreign exchange leakage, but on the other hand, the central authority approved some local requests to allow outbound travels for the purpose of visiting relatives and border tourism also existed to some extent. Therefore, the focus of this chapter is to analyze what of the policy vacuum meant for outbound tourism connecting tourism situation of three markets and complicated reasons behind this, so as to understand special pattern of Chinese outbound tourism policy and the development of the tourism industry.

3.1 Inbound Tourism and the Crucial Task of Reform and Openness

The Third Plenary Session of the 11th Congress of the Chinese Communist Party marked a significant turning point in the history of China. The decisions on ‘reform and open-door policy’ made at this conference indicated that work of the Chinese Communist Party (CCP) had shifted

¹³¹ Chinese academic circles are absolutely unanimous about this question in and 1978 is regarded the beginning in all literatures of tourism history.

¹³² CNTA (ed.), 2008, *Eleventh Five-Years Plan of China Tourism*, China Tourism Press, p.116

¹³³ Wei Xiaolan and Zeng Bowei, 2009, p.150

from political conflict to economic development. Since then the emphasis of CCP has been focused on the economic modernization in order to build a great China. In early period of economy rebuilding the shortage of foreign exchange was a crucial problem. The gap between the huge demand to purchase advanced equipments and the poor situation of the foreign currency reserves, was the first hurdle that needed to be overcome if there was to be a national economic renaissance. As former premier Zhao Ziyang¹³⁴ argued expansion of international tourism in China had the potential to increase substantially foreign exchange earnings for China which could in turn play an important role in financing the import of new technologies and modern equipment for China's development.¹³⁵ Thus, all the directions and regulation from CCP for tourism centered on how to make more foreign exchange by developing inbound tourism.

• Five Deng Xiaoping Speeches on Tourism

To promote the rapid development of tourism and earn foreign exchange as rapidly as possible, Deng Xiaoping, then leader of the country, mentioned tourism development in his speeches five times in one year.

The first speech, October 9, 1978

Civil aviation and tourism need to be developed... the most important customer is America, and Japan is also important.... You should make a plan to open America's door... we can earn 5 billion dollars by receiving 10million tourists in a year. This target should be accomplished by the end of the century.¹³⁶

The second speech, January 2, 1979

The Tourism bureau should employ suitable talents, and we should choose people with pioneering spirit, enthusiasm and ability. Training classes should to be open to train translators, guides and management staff...tourism is going to be a comprehensive industry.¹³⁷

The third speech, January 6, 1979

¹³⁴ Zhao Ziyang was Premier of P. R China from 1980 to1987

¹³⁵ Julie Jie Wen, Clement A Tisdell, 2001, *Tourism and China's Development---Policies, Regional Economic Growth and Ecotourism*, World Science Publishing Co. Pte. Ltd, P.8

¹³⁶ This is a part of the speech that Deng Xiaoping gave when he talked to leaders of CAAC and CNTA at the meeting with the President of the US Airline Pan Am, CNTA and Institute of CCP Archive, 2005, pp.1-2

¹³⁷ This is a part of the speech given by Deng Xiaoping when he talked to leaders of CNTA before the Bank, Finance and City Committee of the House of Representatives visiting China, CNTA & Institute of CCP Archive, 2005, P.5

Tourism deserves development, and it should be developed distinctly and rapidly. And we need to construct hotels first to develop tourism, and we can absorb foreign capital and overseas Chinese capital first, later, we can develop by our own.¹³⁸

The fourth speech on January 17, 1979

Now nation's plan wants to change a little. The industry used to be steel oriented, but steel is an industry that is big, complicated and widely involving, and decrease development of other industry. Besides, its capital turnover is slow. We should develop some industries whose capital turnover is fast, such as light industry, handicraft industry, compensation trade, tourism etc....Do well service industry and earn foreign exchange by all means.

The fifth speech on July 15, 1979

Huang Shan has great advantage to develop tourism...You should do well transportation, hotels and facilities to pave the way for tourism.¹³⁹

Although these five speeches were given on different occasions, they are all centered on how to improve inbound tourism to attract more inbound tourists, the ultimate aim being to earn 5 billion dollars by the end of the century.¹⁴⁰ As the instigator of reform and open policy, Deng Xiaoping's speeches determined the direction of China tourism, namely to greatly develop inbound tourism.

• Several important conferences and decisions on tourism

In line with Deng Xiaoping's direction to quickly stimulate a boom in inbound tourism, several important conferences of the central authorities were held, and certain measures were taken to accomplish this target.

A, In 1978, the central authority established a tourism work leading group to be led by the vice premier of State Council. This group was appointed to propose fundamental tourism policy and decide on major matters connected with tourism at the beginning of the reform.¹⁴¹ This work leading group consisted of national level officials from different departments, thus indicating that tourism was now an important concern at the top level.

¹³⁸ CNTA & Institute of CCP Archive, 2005, p.6 and p.7. This is a part of Deng Xiaoping's speech given to leaders of the State Council.

¹³⁹ This is a part of Deng Xiaoping's speech given to leaders of Anhui Province. CNTA & Institute of CCP Archive, 2005, p.10

¹⁴⁰ As pointed out in the first speech of Deng Xiaoping. CNTA & Institute of CCP Archive, 2005, p.2

¹⁴¹ Han, 1994, p.38, Wei Xiaian and Zeng Bowei (eds.), 2009, p.32

B, In 1981, a national tourism conference was held by the State Council and Vice- premier Chen Muhua made a report, which emphasized that advantage should be taken of China's unique resources and that a Chinese way to develop tourism should be sought in order to earn foreign exchange and attain diplomatic objective.¹⁴² The report pointed out that the focus of tourism policy was still on inbound tourism, but by contrast with the previous thirty years, foreign exchange from inbound tourism was given higher priority than diplomacy, that is the political mission.

C, On June 25 1983, general secretary Hu Yaobang hosted the 137th session of Secretariat of the Communist Party of China Central Committee.¹⁴³ In the meeting, a report by general director of CNTA Han Kehua was approved. *On creating new situation of tourism*, which proposed a new thinking on tourism development and reform, and laid for the foundation for the reform of the national tourism management system.

D, In 1986, in the forth session of sixth national congress, promotion of the tourism industry was written into the 'Seventh Five-Year Plan'. For the first time, tourism's position as an industry was definitely established and tourism development was designated as one of the strategies for economic gain. This event showed that tourism was seen as an important method of economic development.¹⁴⁴

E, On October 12 1992, the President Jiang Zemin's speech at the fourteenth national party congress mentioned the need to improve the third industry such as business, finance, tourism, information, etc.¹⁴⁵ This indicated that the tourism industry had been raised to the position of being an important part of the third industry.

• The Reform of Tourism Administration

The Bureau of Travel and Tourism (BTT) was established as a policy-making body in 1964 as part of the Foreign Affairs Ministry. The China National Tourism Administration (CNTA) was set up in 1981 in Beijing under the State Council to replace BTT as the highest administrative body for tourism in China. The purpose was to concentrate on the macro-management of tourism and provide development plans for tourism throughout China. CNTA supervises the Tourist Association, the Hotel Association and the Domestic Tourism Association and has ten functional departments, including: general administration, policy and law, planning and statistics; resources development travel service and hotel management, general "coordinative" affairs, marketing and promotion, and

¹⁴² CNTA & Institute of CCP Archive, 2005, p.32

¹⁴³ Several top leaders, such as Wan li, Xi Zhongxun, Yang Shangkun, Yu Qiuli...were attending on that meeting.

¹⁴⁴ A part of 37th Chapter(tourism) of *the seventh plan of P. R China economic and social development* approved by the fourth session of the National Congress on April 12 of 1986. p.258

¹⁴⁵ CNTA & Institute of CCP Archive, 2005, p.79

international liaison. With branches in provinces and cities throughout China, CNTA exercises macro-administration of the tourism industry in China and implements national tourism policies.¹⁴⁶

For quite a long time, there were only three major travel agencies with the license to organize international travel in China: CTS, CITS and CYTS. Overseas Travel Service, the predecessor of China Travel Service (CTS), was set up in 1949 mainly to receive ethnic Chinese visitors and China International Travel Service (CITS) was established in 1954 for non-Chinese. The China Youth Travel Service (CYTS) was established in 1980 to receive young visitors.¹⁴⁷ Between them they monopolized travel agency industry in China. Thus although business travel agencies expanded gradually, tourism was not industrialized since it did not operate by the inner laws of the market economy. In order to break the monopoly and encourage competition and an economic functioning of the tourism industry, there was increased decentralization of the tourism administration in China since late 1980s on.

On August 30 of 1984, CNTA held a national tourism conference to discuss the reform of the tourism administration system. On December 18 of that year, *CNTA's Report on Several Problems of Tourism System Reform* was approved by the State Council. It proposed that duties of government departments and enterprises should be separated, and that national travel agencies like CTS, CITS and CYTS should belong to CNTA, while regional travel agencies should belong to local authorities. If any organization wants to run an international tourism business, it has to establish a travel agency and get a license in accordance with the *Interim Measures of Travel Agencies Administration* from CNTA.¹⁴⁸

On April 21, 1988, in a speech at the national conference for the directors of tourism bureaus, Vice-Premier Gu Mu mentioned that priority should be given to the separation of duties of governments and enterprises. As a result, the business of travel agencies was removed from the Bureau of Tourism and Travel which became a part of CNTA under the State Council.

Since 1980, regional travel agencies have begun to turn into enterprises with independent accounts and responsible for their own profits and losses¹⁴⁹ ... In 1984, CNTA created the external communication authority to allow more enterprises running international tourism businesses. In

¹⁴⁶ Julie Jie Wen, Clement A Tisdell, 2001, *Tourism and China's Development---Policies, Regional Economic Growth and Ecotourism*, World Science Publishing p.16

¹⁴⁷ Julie Jie Wen, Clement A Tisdell, 2001, p.16

¹⁴⁸ Wei Xiaolan and Zeng Bowei, 2009, P.7

¹⁴⁹ Wei Xiaolan and Zeng Bowei, 2009, P.120

1988, CNTA allow every province to run one international travel agency. By then the monopoly was broken.¹⁵⁰

The focus of the reforms listed above was on international tourism, and the purpose was to encourage market competition and strengthen profit awareness by promoting the development of inbound tourism, ultimately to earn more foreign exchange.

3.2 Preferential Policy and the Rapid Development of Inbound Tourism

From the discussion above, we can see that in China inbound tourism received more attention than other aspects of the tourism industry at the beginning of the reform period. Like other undeveloped Asian countries, 'the international tourist industry was used as a means of promoting economic growth and development, especially... generating large foreign exchange earnings, and it is also a substantial employer of labor.'¹⁵¹ In order to enhance its relationship with foreign tourist agents and learn more about international tourist market to attract more inbound tourists, CNTA established offices in America, Japan, west Europe and Hong Kong, even when the economic situation was still severe in China.¹⁵² Besides, in order to pave way for inbound tourism, *Decision on Tourism Work* in 1981 pointed out clearly that domestic tourism was not encouraged when transport was poor and conditions at hotels, restaurants and sightseeing spots were bad.¹⁵³ The preference given to inbound tourism was still obvious in 1991. *Direction on Several Problems of Strengthening Tourism Management* proposed that tourism department give priority to foreign tourists, in cooperation with the civil aviation, railway and other transport departments by offering such services as tour planning, ticket purchasing and so on.¹⁵⁴ Furthermore, the State Council issued a special document to forbid organization of meetings in the city which is the favorite of foreign tourists.¹⁵⁵

Additionally, to improve the quality of tourism reception, the center of CCP approved the '*Report on Asking Development of Tourism Industry*' in March 1978 and agreed with the promotion of tourism development. In this document the State Council of China decided to give 36 million Chinese Yuan over 3 years to build a tourist infrastructure and organize a special office of the State Council to

¹⁵⁰ Wei Xiaolan and Zeng Bowei, 2009, P.175

¹⁵¹ John Walton 1993, p.214

¹⁵² Wei Xiaolan, P.108, *Report about Several Issues of Greatly Developing Tourism*

¹⁵³ Wei Xiaolan and Zeng Bowei, 2009, p.106

¹⁵⁴ '*Direction about Enhancing Tourism Administration*' was made in 1957 (No.1991.9 of the State Council). Wei

Xiaolan and Zeng Bowei, 2009, p.106

¹⁵⁵ Wei Xiaolan and Zeng Bowei, 2009, p.106

direct tourism management.¹⁵⁶ In total, from 1986 to 1990 the government invested 13 billion Chinese Yuan towards the enhancement of the tourism infrastructure.¹⁵⁷

After the struggles lasting over ten years, inbound tourism not only completed the task of rebuilding but also achieved a leading position among tourist-receiving countries in the world also. The data in Table 3-1 clearly shows that the number of inbound tourists in the early 1990s increased rapidly after an initial leap at the end of 1980s. The number of international visitors rose from 1.8 million in 1978 to 46.38 million in 1995. The number of foreign visitors to China increased more than twenty-fold to 38.11 million between 1978 and 1992. China has enjoyed an exponential growth in inbound tourism since 1978. In addition Table 3-2 indicated that the receipts derived from inbound tourism in the 1980s and 1990s was rapid and steadily increasing. In 1978, international receipts totaled only \$263 million, this figure was over ten times as high by 1991, and even reached \$10 200 million in 1996. The rising number of international tourists and the income derived from inbound tourism seemed miraculous to the world. Income from tourism made up a significant part of the growing GDP of China. According to the statistics, 3% of the national income of China in 1990 was from tourism and this percentage had increased to 12% in 1996.¹⁵⁸

¹⁵⁶ Han, 1994, p.38

¹⁵⁷ Han, 1994, p.56

¹⁵⁸ Zhang Xiping, 1998, *Research of Development Strategy of Chinese Tourism*, Shanxi People's Press

Table 3-1 Visitor arrivals in China 1978-1995

Year	Total (million)	Foreigners (million)	Compatriots (million)	Hong Kong & Macao (million)	Taiwan (million)
1978	1,80	0,22	1,57	1,56	—
1979	4,20	0,36	3,84	3,82	—
1980	5,70	0,52	5,17	5,13	—
1981	7,76	0,67	7,09	7,05	—
1982	7,92	0,76	7,15	7,11	—
1983	9,47	0,87	8,60	8,56	—
1984	12,85	1,13	11,71	11,67	—
1985	17,83	1,37	16,46	16,37	—
1986	22,81	1,48	21,33	21,26	—
1987	26,90	1,72	25,17	25,08	—
1988	31,69	1,84	29,85	29,33	0,43
1989	24,50	1,46	23,04	22,43	0,54
1990	27,46	1,74	25,71	24,67	0,94
1991	33,34	2,71	30,63	29,55	0,94
1992	38,11	4,00	34,10	32,62	1,31
1993	41,52	4,65	36,87	35,17	1,52
1994	43,68	5,18	38,50	36,99	1,39
1995	46,38	5,88	40,49	38,85	1,53

Source is from: www.cnta.gov.cn, 2002-01-28

Table 3-2 International Tourism Receipts 1978—1996

YEAR	RECEIPTS (Million \$)	INDICES (1978=100)	GROWTH (%)
1978	263	100,0	—
1979	449	170,9	70,9
1980	617	234,6	37,3
1981	785	298,6	27,3
1982	843	320,7	7,4
1983	941	358,0	11,6
1984	1131	430,3	20,2
1985	1250	475,5	10,5
1986	1531	582,3	22,5
1987	1862	708,1	21,6
1988	2247	854,6	20,7
1989	1860	707,7	-17,2
1990	2218	843,5	19,2
1991	2845	1082,1	28,3
1992	3947	1501,3	38,7
1993	4683	1781,4	18,7
1994	7323	2785,4	—
1995	8733	3321,7	19,3
1996	10200	3880,0	16,8

Source is from: CNTA, www.cnta.gov.cn, 2002-01-28, access date 2006-07-08

3.3 The Promotion of Policy and the Boom in Domestic Tourism

There is no doubt that inbound tourism was the primary at an early stage and that this subsequently led to the ignoring or even exclusion of domestic and outbound travel. On the other hand, domestic travel has given attention since the Tiananmen Tragedy happened in 1989. Since then the catchword of tourism policy was gradually changed from **‘developing inbound tourism energetically’** to **‘promoting inbound tourism vigorously, developing domestic tourism actively and growing outbound tourism reasonably’**. It is noticeable that policy is usually expressed in slogans or catchwords in China. For this reason, research about the adjustment of tourism policy should examine changes of catchwords and analyze their natures with reference to rules in legislations and regulations. At the end of the 1980s, the changing of slogans indicated an improvement in the situation of tourism. In deed, in 1993, the General Office of the State Council transmitted *Opinions on Actively Developing Domestic Tourism* proposed by CNTA. In 1994, in his speech to the

national symposium of general director of tourism bureau, Qian Qichen¹⁵⁹ pointed out that along with the rapid growing of national economy and improvement in people's living standards, demand for tourism also increases, especially after the implementation of 40-hour workweek, domestic tourism showed signs of increasing.¹⁶⁰ This speech showed the government's supportive attitude to domestic tourism, and the reform of the holiday system approved by the State Council guaranteed the rapid growth of domestic tourism.

It is well known that the system of holiday from work and leave with pay affect the amount of time for travel.¹⁶¹ *National Day and New Year Holidays Approach* issued December 23 1949 was the first regulation on the holiday system, which became 1 (New Year) +2 (Spring Festival) +1 (Labor's Day) +1 (National Day) +52 (weekends) = 57 days. But until the reform and open policy, the 57 day holiday year existed only in name. On May 1 1995, the State Council revised the Regulation of the State Council about Worker Working Hours and created a 111- days holiday system whose structure was 1(New Year)+3(Spring Festival)+1(Labor's Day)+2(National Day)+104(52weekends) = 111days.¹⁶² In particular, the implementation of the two-day weekend system caused an unprecedented increase in domestic tourism, so that domestic tourism income was 137.5 billion RMB and the number of domestic tourists was 0.629 billion people at that year, their rates of increase being were 34% and 20% respectively. The developmental of domestic travel experienced a great leap at the beginning of 1990s. The number of domestic tourists doubled in 1995 as compared to 1985. The annual growth rate was 10% or more in the early part of the 1990s, with the exception for 1991. (See Table 3-3). Figure 3-1 clearly showed the industry of domestic tourism was in the phase of continually fast development from 1985 to 1996. The large income from domestic tourism drew the attention of the Chinese government to the development of the whole tourist industry.¹⁶³ To some extent, the policy adjustment towards outbound tourism could not have been accomplished without the impact of this leap in domestic travel.

¹⁵⁹ Qian Qichen was then in charge of tourism as Vice Premier then.

¹⁶⁰ Wei Xiaolan & Zeng Bowei, 2009, p.86

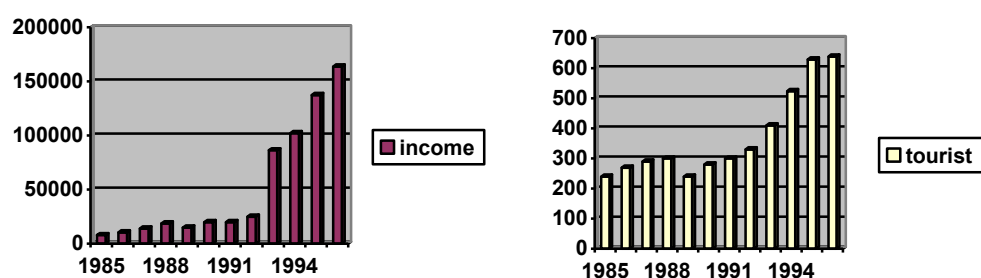
¹⁶¹ China Tourism Academy, 2009, *Annual Report of China Tourism Development 2007&2008*, China Tourism Press, p.32

¹⁶² Wei Xiaolan & Zeng Bowei, 2009, P.12

¹⁶³ Wei Xiaolan & Zeng Bowei, 2009, p.127

Table 3-3 The number of domestic tourists and the income from tourism: 1985-1996

Year	Number of tourists (million)	Rate of increase (%)	Income from domestic tourism (million Chinese Yuan)	Rate of increase (%)
1984	200	-	-	-
1985	240	20,0	8 000	-
1986	270	12,5	10 600	32,5
1987	290	1,4	14 000	32,1
1988	300	3,4	18 700	33,5
1989	240	-20,0	15 000	19,7
1990	280	16,7	17 000	13,3
1991	300	7,1	20 000	17,6
1992	330	10,0	25 000	25,0
1993	410	24,0	86 400	24,5
1994	524	27,8	102 350	18,5
1995	629	20,0	137 500	34,4
1996	639	1,5	163 800	19,1

Figure 3-1 The increase in tourism income and domestic tourist numbers: 1985-1996

These figures are based on table 3-3

Source of Table 3-3 & Figure 3-1 from Yearbook of Tourism Statistics of CNTA

3.4 Attempts at Outbound Tourism under the Policy Vacuum

To ensure the great development of inbound tourism and prevent foreign exchange flowing away, The General Office of the PCC Central Committee and the General Office of the State Council issued *Notice about Organizing Citizens Participating Outbound Tour Group at Their own Expenses being Inappropriate* on August 13, 1984, which pointed out it was not appropriate to organize tour group going aboard due to the low economic level and people's financial capability.¹⁶⁴

¹⁶⁴ Wei Xiaolan and Zeng Bowei, 2009, p.150

More than that, the State Council issued *Interim Regulation of Tourism Agencies Administration* on May 11 1985, stating clearly that none of the three categories of travel agencies should be engaged in the outbound tourism business.¹⁶⁵ The publication of these two documents indicated that normal outbound tourism and outbound tourism operation were forbidden at that time. But the strict restraint started to loosen in the middle of the 1990s.¹⁶⁶ In 1993, the General Office of the State Council transmitted the *Opinions about Actively Developing Domestic Tourism Industry* proposed by CNTA, which mentioned that outbound tourism at citizen's own expenses had started by then, and most of the destinations were countries and regions close to China. It is beneficial to launch outbound tourism gradually. On February 23 1993, Vice-Premier Wu Xueqian hosted the 12th session of the national tourism enterprise committee, which approved pilot project on outbound tourism in principle, in order to improve the national image and international position of the tourism industry and to gain active rights in the negotiation of the service trade agreement in the General Agreement on Tariffs and Trade.¹⁶⁷ This indicated that the moment to introduce an outbound tourism policy had come. Although no official document was issued until 1997, outbound tourism had taken big step forward.

3.4.1 Travel to visit relatives abroad

It is true that visiting friends and relatives is included in the tourism as one kind of travel categorized by the motives. Chinese travel for the purpose of visiting relatives in Hong Kong and Macao had been occurring since 1983; but its character differed from most visiting friends and relatives because it operated under special rules.

There is a great number of Chinese spread all over of the world, especially in South-east Asia, a result of the historical migration which occurred after the Opium Wars. These migrants became overseas Chinese and those Chinese who live in Hong Kong, Macau and Taiwan are called compatriots in mainland China. The pent-up demand of Chinese on the mainland and their relatives abroad for reciprocal visit needed to be released after more than fifty years of impediments and restriction. As Julie Jie Wen said 'It seems possible that there is some suppressed demand for outbound travel (including visits to overseas relatives) from China due to regulations on such travel and administrative obstacles to outbound travelers'. For historical and geographical reasons, there are plenty of people in Guangdong province who have overseas relatives, so they organized the first tourist group to visit relatives in Hong Kong on 15th November 1983.¹⁶⁸ This plan received many

¹⁶⁵ Wei Xiaolan and Zeng Bowei, 2009, p.150

¹⁶⁶ CNTA & Institute of CCP Archive, 2005, *Comments of Leaders on Tourism (1978-2004)*, China Tourism Press & Institute of CCP Archive Press, p.86

¹⁶⁷ Wei Xiaolan and Zeng Bowei, 2009, p.150

¹⁶⁸ Julie Jie Wen, Clement A Tisdell, 2001, p.15

positive comments, so the State Council of China approved their application by issuing '*Organizing Returned Oversea Chinese and their Relative to visit Hong Kong and Macao*' in 1984. The difference between these visits and general VRT is that this document included three strict rules. First, CNTA was to manage all the affairs of visiting relatives in Hong Kong and Macao and no travel agency was permitted to organize it freely. Second, the travelers should have financial surety from their foreign relatives. Third, only the Hong Kong or Macao branch of CTS was appointed to receive tourist groups in those destinations.¹⁶⁹

In 1990, *Interim Measures for the Administration of Organizing Chinese Citizens going to three South-East Asian countries on Tour* was issued by the State Council, and Thailand, Singapore and Malaysia were opened as outbound tourism destinations alongside Hong Kong and Macao. Later in 1992, the Philippines was added too. But only VRT was allowed, and expenses had to be met by overseas relatives as well.¹⁷⁰

3.4.2 Borderland travel

China borders fifteen countries and regions in nine provinces, so there are many opportunities for border trade and travel. In 1984, Dandong City of Liaoning Province and Sinuiju of North Korea started to send visiting group to each other to make same-day visits, but these were only exchange activities and paid for by each government. In 1987, same-day tours at visitor's own expenses were allowed by both parties. This marks the start of borderland travel. Later, borderland trade and travel spread to more border regions.

Following these development, '*Opinions about Enlarging Borderland Travel and Promoting Frontier's Prosperity*' was proposed by the CNTA and approved by the State Council on July 24 1992.¹⁷¹ Border provinces gradually received the licenses. By comparison with Visiting Relations Travel, the resources of tourists for borderland travel expanded much more, and the development of borderland travel brought great economic benefits to the government. This form of travel attracts Chinese who otherwise would hardly have a chance to travel abroad.¹⁷² According to the incomplete statistics, the number of Chinese visitors in the borderlands was up to 1,7 million in 1997.¹⁷³ More importantly, through the operation of borderland travel, China established good tourism relations with surrounding countries; which is why those destinations became the first ADS of China later.

¹⁶⁹ Wei Xiaolan and Zeng Bowei 2009, P.168

¹⁷⁰ Wei Xiaolan and Zeng Bowei 2009, P.147

¹⁷¹ Wei Xiaolan and Zeng Bowei 2009, P.150

¹⁷² Julie Jie Wen, Clement A Tisdell, 2001, *Tourism and China's Development---Policies, Regional Economic Growth and Ecotourism*, World Science Publishing Co. Pte. Ltd, p.352

¹⁷³ CNTA, www.cnta.gov.cn, 2006-10-15, access date 2006-10-23

However, it was not only Visiting Relations Travel that initially had three special rules, but also China's borderland tourism. Firstly, it had to be organized only by appointed agencies; secondly, tourists could enter the county only via appointed customs houses (border crossing points); and finally, the trip could last only one day within the appointed city.¹⁷⁴

3.4.3 Imbalances in tourism

A curious phenomenon existed in that there was no official concept and regulation of outbound tourism in China before 1997,¹⁷⁵ even though Visiting Relations Travel and borderland travel were already occurring. This situation was not caused by the lack of academic discussion, but by tourism policy. Outbound tourism was given lowest priority among forms of tourism by the government. In order to restrain fast growth of outbound tourism, the authorities purposely ignored the issues around it. The absence of any official concept of outbound tourism meant that there was no development agenda, besides indicating that the development of outbound tourism was not the point of China's tourism policy. As a result of government preference for inbound tourism there were serious imbalances in the tourism market.

- **The wide gap between inbound and outbound tourism**

In economic research 'input-output (I-O) tables can demonstrate the interrelationship of one industry (or more correctly in our case the component industries of tourism) with all the other sectors of the economy'.¹⁷⁶ For tourism, the inbound tourist – outbound tourist table tells us the relative positions of inbound tourism and outbound tourism in the tourism market. Comparing inflow-outflow of tourists shows that there was great disparity in the numbers of inbound and outbound tourists during 1993-1996 in China. The number of inbound arrivals was greater than the number of outbound visitors; the number of inbound tourists was more than ten times that outbound-tourists. However, the rate of increase in outbound tourists was not lower than of inbound tourists; especially notable is that the rate of increase in outbound tourist was 60% in 1993, well over the 24% increase rate in the number of inbound tourists. In this respect, only the year 1994 was an exception with a negative rate because of the impact of regulation to forbid disguised overseas travel. Such an obvious gap in the number of in-out tourists reflected the poor position of outbound tourism and indicated that government policy was mostly designed to encourage inbound

¹⁷⁴ Zhong Haisheng and Guo Yingzhi, 2001, *Demand and Development of Chinese Tourism Market*, Guangdong Tourism Press

¹⁷⁵ Shu Boyang, 2004, 'A study on the Current Situation and Trend of Chinese Outbound and the Administration of Policy', China's Soft Science, 2004-11, pp.31-34

¹⁷⁶ John Walton, *Tourism and economic development in ASEAN* in Michael Hitchcock, Victor T. King and Michael J.G. Parnwell (eds.), *Tourism in South-East Asia*, p.217

tourism in order to earn foreign exchange. However, the high rate of increase in outbound tourists indicated that the demand for outbound travel was very strong.

Table 3-4 Comparison of in-out tourist numbers (1993-1996)

Year	Outbound tourist Unit: million	Rate of Increase %	Inbound tourists Unit: million	Rate of Increase %
1992	-	-	-	-
1993	3,74	60	41,00	24
1994	3,73	-0.2	52,40	27.8
1995	4,52	21	62,00	18.3
1996	5,06	12	63,90	3.06

Resource: Yearbook of Tourism Statistics of CNTA

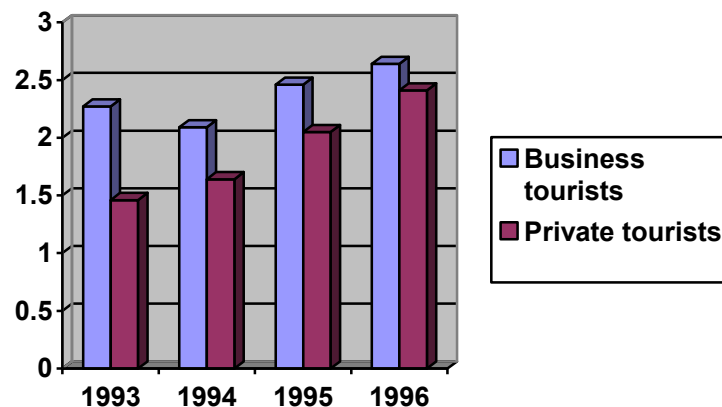
• The small number of outbound tourists using travel agencies

It is well known that the core of the tourism industry is the travel agency which organizes tourists and usually directly obtains the income from them. Generally speaking, development of a tourism industry can be measured by statistics of showing tourists through tourist agents. However, the statistics of Table 3-5 shows that the percentage of outbound people traveling through travel agencies from 1993-1997 was very low, and consistently lower than 30%. This data shows that most people did not use the services of travel agents and in condition that the industry of outbound tourism in China was very weak, in other words, China could not organize as many tourists as possible because of the limitation set by regulation. It further suggested that the complex and difficult procedure of joining tourist-groups may have been the reason that many people going abroad without using travel agencies. If tourism policy were changed to relax the regulation of tourists and travel agencies, the number of tourists using travel agents was likely to increase and the agencies could cater for a bigger proportion of outbound people. Finally, the number of outbound tourists in Table 3-5 and the gap between business and private tourists in Figure 3-2 shows that the demand for outbound tourism was very great; but the restriction of the policy was suppressing it and forcing tourists to choose other channels in preference to travel agencies.

Table 3-5 The number of Chinese citizens abroad through travel agents during 1993 – 1996

Year	Number of the tourist through travel agency (million)	Percentage in the number of the people abroad	Increasing rate
1992	-	-	-
1993	0,72	19,3%	-
1994	1,09	29,4%	51,8%
1995	1,25	27,9%	14,7%
1996	1,64	32,4%	31,2%

Figure 3-2 Comparison of business and private tourist numbers 1993-1996



Source of Table 3-5 & Figure 3-2 from Yearbook of Tourism Statistics of CNTA

Both problems referred to above showed that outbound tourism in China was in a rough-and-tumble situation during the period from 1978 to 1996 and that these troubles were closely related to tourism policy. Due to lack of definite policy, the outbound tourism industry could not develop normally at a normal pace. Although the numbers of outbound people was large, the expansion of the outbound tourism industry was very slow before 1997. Despite Visiting Relations Travel and borderland travel after 1983, no mature market for outbound tourism had been established. Therefore, the years

from 1983 to 1996 have been thought of as a long period of preparation in the development of outbound tourism in China.¹⁷⁷

3.5 An Analysis of Tourism Policy in China 1978-1996

3.5.1 Policy vacuum means restriction

As Hall said ‘the tourism is often given a major role by government in regional development strategies for economically marginal areas and is a major force for modernization in less developed countries, but also in marginal areas of the developed world’.¹⁷⁸ In particular, the experience of tourism development after Second World War showed that ‘the organization of international tourism under state socialism comprised a central ministry out of which the role of national tourism was devoted’.¹⁷⁹ For quite a long time ‘inbound tourism’ was what was meant by ‘tourism’ in the slogans which meant, in effect, that the direction of China’s tourism policy was to develop inbound tourism and other aspects of tourism were totally ignored. At the beginning of reform and opening China’s concern for tourism was only focused on the development of inbound tourism rather tourism as a whole, whereas other government in less developed countries had sought to develop both domestic and outbound tourism. Unquestionably, thirty years ago, China was hoping to stimulate economic development and increase the flow of foreign currency into the country through inbound tourism, the reason that all policies and regulations were to support the fast growth of inbound tourism. More importantly, there was no official concept and regulation of outbound tourism, so this period was called the policy vacuum for outbound tourism.¹⁸⁰ The lack of regulation and concept simply indicated that outbound tourism was not the focus of government. During that period, only a small number of people were allowed to conduct outbound travel visiting relatives under certain conditions or making very short border tour. By contrast with inbound tourism, outbound tourism was severely suppressed and not promoted at all.¹⁸¹

- **Travel to Hong Kong and Macao and borderland tours suppressed outbound tourism**

From the discussion above, we can see that some Chinese started to get opportunities to go aboard by visiting their overseas relatives after 1983, but does that signify the beginning of outbound tourism? There are two different opinions about this issue in China. The difference is reflecting the

¹⁷⁷ Wei Xiaolan and Zengbowei, 2009, p.147

¹⁷⁸ Hall, C., 1994, p.114

¹⁷⁹ Hall, D. R., 1991, *Eastern Europe and the Soviet Union: Overcoming Tourism constraints*, in D.R Hall (eds.), *Tourism and Economic Development in Eastern Europe and the Soviet Union*, Belhaven Press, London, p.49

¹⁸⁰ Wei Xiaolan and Zeng Bowei, 2009, p.150

¹⁸¹ Julie Jie Wen, Clement A Tisdell, 2001, p. 40

division in the industry of outbound tourism. The official view is that, visiting relatives in Hong Kong and Macao in 1983 was the beginning of outbound tourism.¹⁸² However, in the opinion of some scholars the strict rules for VRT and borderland tourism meant both kinds of outbound travel were different from real outbound tourism.¹⁸³

As is well known, Hong Kong and Macao are a part of China and there is no general borderland, but a regional line between them and the mainland of China. Their relationship cannot be treated as one between nations, so the tourists flowing between them cannot be included in outbound or inbound tourists based on the concept of the World Tourism Organization which is that ‘the activity of outbound tourism should be over the borderland and outbound tourists should be involving residents traveling in the given country’.¹⁸⁴ WTO statistics for international tourist arrivals in China include visitors from Taiwan but exclude those from Hong Kong and Macau.¹⁸⁵ In China, ‘tourism arrivals’ or ‘number of tourists’ coincides with the concept of arrivals of tourists from abroad including foreigners, overseas Chinese who hold Chinese passports, and compatriots who live in Hong Kong, Macao and Taiwan. Although Hong Kong was returned to China, due to China’s “One Country Two Systems” policy for this “Special Administrative Region”, visitors from Hong Kong are still counted as part of international arrivals in China’s statistics.¹⁸⁶ Consequently, those visiting Chinese relation in Hong Kong and Macao are thought as outbound travelers. Since those traveling to visit relations in Hong Kong & Macao needed to be paid by their relatives, even after the travel destinations for the purpose of visiting relations were expended to include Thailand, the Philippines and Malaysia in 1988 and in 1990, the invitation and the economic guarantee from the relation have remained a necessary preconditions.¹⁸⁷ In that period, the outbound traveler could not even get foreign exchange in China. Because of the lack of the tourist-groups paying with personal income no real market of outbound tourism was formed. In one word, strict preconditions and articles for travel to visit relations were the biggest barriers to outbound tourists and prevented the rapid expansion of outbound travel. This is the root reason why travel of visiting relations cannot be seen as the jumping off point of the Chinese outbound tourism industry.¹⁸⁸

As to borderland tourism, ‘most of the remaining outbound Chinese travelers are same-day cross-border visitors. Cross-border same-day tours to Russia, Korea and Mongolia in the north, and

¹⁸² CNTA, www.cnta.gov.cn, 2005-1-28, access date, 2006-06-12

¹⁸³ Wei Xiaolan and Zeng Bowei, 2009, P.171

¹⁸⁴ Ray Youell, 1998, p.8

¹⁸⁵ Julie Jie Wen, Clement A Tisdell, 2001, pp. 19-20

¹⁸⁶ Julie Jie Wen, Clement A Tisdell, 2001, p. 19

¹⁸⁷ Law Department of CNTA (eds.), 1996, *Regulation for Travel in Hong Kong & Macao, Singapore, Malaysia and Thailand*, Tourism Education Press, p.20

¹⁸⁸ Zheng Shuqian, Li Jinglong & Zhang Shuping, 2006, ‘The Research on the Development of China’s Outbound Tourism’. *Journal of Jiangxi University of Finance and Economics* 2006-12, pp.108-111

Vietnam, Laos and Burma in the south are popular'.¹⁸⁹ But the WTO does not usually count same-day cross-border travelers as tourists.¹⁹⁰ Additionally, borderland travel started in 1987 and so many limits were put on it as well as for VRT, that, borderland travel was more akin to borderland trade than typical travel. Besides, most of the tourists conducted a one-day trip without staying overnight, so they were not outbound tourists according to the concept of tourist. Because of the shortage of real tourists, the revolution of borderland travel was different from real outbound tourism. Nevertheless some people have thought that the travel of visiting relations in Hong Kong and Macao, and borderland travel alone were an attempt to create an industry of outbound tourism, and laid the foundation for the development of outbound tourism after 1997.¹⁹¹ On the contrary, the renaissance of real outbound tourism was postponed.

- **Stimulating inbound tourism**

From an official perspective, VRT and borderland travel have the great significance for Chinese outbound tourism marking its historic take-off. It may sound improbable, as VRT and borderland tourism are quite unlike inbound tourism, but they did have a profound but hidden influence which stimulated an increase in the number of inbound tourists and the gaining of foreign exchange. Like import trade in tourism field, outbound travelers would lead to the leakage of foreign exchange generally, so why should China be an exception? Firstly, Visiting Relatives Travel to Hong Kong and Macao was the only kind of outbound travel for many years and only with many strict rules to prevent people without foreign relatives abroad from traveling to visit them.¹⁹² Under these rules, only a handful of people with foreign relatives had the chance to go abroad and of these only the few people who were paid by overseas relatives were allowed to do that. In actual fact, VRT to Hong Kong and Macao, and even those south-west Asian countries was like inter-regional tourism without the loss of foreign currency. Moreover, VRT also brought some foreign exchange back to China. At the beginning of the reform and open-door policy, China needed foreign capital very badly. Establishing connections with compatriots overseas by VRT was a very important method of getting foreign exchange. Through the regulation of Visiting Relations Travel the government momentarily satisfied the intensive demand for some people who had overseas relations, and brought investments from Chinese in Hong Kong and south-east Asia, while at the same time excluding most people from overseas travel and thus saving foreign exchange. Many compatriots and overseas Chinese made return visit to China due to the tradition that courtesy demands reciprocity; looking at Table 3-1 most inbound arrivals were compatriots and mostly people from

¹⁸⁹ Julie Jie Wen, Clement A Tisdell, 2001, P.40

¹⁹⁰ Julie Jie Wen, Clement A Tisdell, 2001, P.40

¹⁹¹ Xiao Jiangcheng and Ren Jiangming, 2002, *'Leave the Country Tour Market Actuality and Development Countermeasure Analysis of Our Country'*, Journal of Jingjiang Normal College 2002-01, pp.67-72

¹⁹² Weixiaoan and Zeng Bowei, 2009, p.151

Hong Kong and Macao. Outbound travel to visit relations abroad did not consume foreign currency, but it was able to attract overseas Chinese to come back to China and invest in it. From this perspective, the attempts of VRT at that time were very successful, so in a sense so was the policy of outbound travel. That is also the reason why China's international tourism account is likely to remain with a positive balance for a long time yet. Consequently, China's tourism and tourism industry continued to make a net positive contribution to China's foreign exchange earnings. These earnings in turn are likely to continue to be valuable in supporting China's future economic growth.

3.5.2 Why outbound tourism was restricted

Many years ago, Hall summarized that 'tourism policy needs to be considered as potentially subsumed beneath a broader range of government economic, social, welfare and environmental policies. Ideally, policy decisions will reflect a desire to meet the interests of the relevant level of government, i.e. national, provincial, state or local, rather than the sectionally defined interests of the tourism industry'.¹⁹³ This viewpoint illuminated the fact that policy-making for tourism often arises from the desire and interests of government. However, both desire and the interests should reflect the situation of the national economy and politics. Therefore, tourism policy is largely impacted by the national social, political, and economic environment. After the Second World War international tourism has become renowned as a method of increasing receipts of foreign currency.¹⁹⁴ In some established tourist destinations, tourism has been the main sources of foreign currency, for example in Thailand since 1982.¹⁹⁵ Even in a less established destination such as Indonesia, tourism was the fourth largest source of non-oil receipts in 1988 and was predicted to become the second largest sources before the year 2000.¹⁹⁶ Therefore, it is common knowledge that tourism has a close relationship with the economy as a whole. Tourism can aid economic growth by providing foreign currency receipts to finance the purchase of essential imports, to increase local income and employment directly and indirectly, to increase government revenue from taxation and stimulating investment.¹⁹⁷ However, to manage the whole economy, politics also is an indispensable element. As a result, politics has to be involved in the study of tourism policy. It was pointed out that 'to explain policy maintenance and policy change, one needs to explore the socio-political conditions in which the political system operates, examining in particular the extent to which

¹⁹³ Hall C, 1997

¹⁹⁴ English, E.P. 1986, *The Great Escape? An Examination of North-South Tourism*, Ottawa: North-South Institute and Lee, G. 1987, 'Tourism as a Factor in Development Cooperation', *Tourism Management*, 8,1, pp.2-19

¹⁹⁵ Elliot James 1987, 'Government Management of Tourism-A Thai Case Study', *Tourism Management*, 8,3, pp.223-232

¹⁹⁶ Schwarz, 1989 & booth, 1990

¹⁹⁷ M. Thea Sinclair and R. W. A. Vokes 1993, *The economics of tourism in Asia and the Pacific* in Michael Hitchcock, Victor T. King and Michael J.G. Parnwell (ed): *Tourism in South-East Asia*, p.211

outputs are conditioned by external influences. Thus the vital task of the policy analyst is to explore the links between the environment, the political system and policy outputs and impacts'.¹⁹⁸ In short, this tells us that an examination of the political and economic background is the key to an understanding of the root reasons behind tourism policy. Some of following matters effecting tourism policy in China are also general problems in some undeveloped countries, but some are specific to the politics and economy in China.

a. An undeveloped economy and poor reserves of foreign exchange

It is a popular view of Chinese scholars that the rationally forbidding those Chinese without foreign relatives to have foreign travel was to save foreign currency.¹⁹⁹ Thirty years ago China was a very poor and undeveloped country and the reserve of foreign exchange was poorer than that in most countries. Looking at Table 3-6 it can be seen that the total amount of foreign exchange for each year before 1979 was still lower than 1 billion, even though China became a powerful country with a great reserve of foreign exchange in the new century. At the beginning of the economic reforms, the shortage of foreign exchange was crucial as it was needed to import advanced technology, but it was continually under \$10 billion during the whole decade of the 1980s. Foreign exchange reserves did not exceed \$100 billion before 1996; (see Table 3-6) Facing huge demand and the poor situation of its foreign currency reserves, the saving and earning of foreign exchange was a priority task for China, a country with a big population and a great task of economic development ahead. The industry of tourism just was at the centre of the problem and it was burdened with two tasks: one was to earn more foreign exchange through the development of inbound tourism and the other was to limit expenditure of foreign exchange through limiting outbound tourism. Therefore, at the beginning of travel of visiting relations the journey of each tourist had to be paid for by their foreign relatives. In addition to this, the citizens who needed foreign exchange were required to show many certificates, after which they could get foreign exchange in a special bank. Moreover, it was only permitted to get foreign exchange once per year.²⁰⁰ There is no doubt that the strict regulation of foreign exchange was one of the factors holding back outbound tourism. However, from an all-round perspective the government's policy limiting outbound tourism was very necessary for the national economy.²⁰¹

¹⁹⁸ Jenkins, W.I., 1978, *Policy Analysis: a Political and Organizational Perspective*, St. Metin's Press, New York, pp.26-27

¹⁹⁹ Wang Weining, 2004, 'An Analysis of Current Situation based on the Change of Management of Foreign Exchange', *Management of Foreign Exchange*, 2004-10, pp.27-28

²⁰⁰ Wang Weining, 2004, 'An Analysis of Current Situation based on the Change of Management of Foreign Exchange', *Management of Foreign Exchange* 2004-10, pp.27-28

²⁰¹ Dai Xuefeng and Wu Ning, 2006, 'An Analysis of Negative Impact of the Rapid Growth of China's Outbound Trade' *Tourism Tribune* 2006-02, pp.41-45

Table 3-6 The reserve of foreign exchange of China 1950-2005

End of Year	Forex Reserves	End of Year	Forex Reserves	End of Year	Forex Reserves
1950	0.15	1969	0.48	1988	3.37
1951	0.04	1970	0.08	1989	5.55
1952	0.10	1971	0.03	1990	11.09
1953	0.09	1972	0.23	1991	21.71
1954	0.08	1973	-0.08	1992	19.44
1955	0.18	1974	0.00	1993	21.19
1956	0.11	1975	0.18	1994	51.62
1957	0.12	1976	0.58	1995	73.59
1958	0.07	1977	0.95	1996	105.04
1959	0.10	1978	0.16	1997	139.89
1960	0.04	1979	0.84	1998	144.95
1961	0.08	1980	-1.29	1999	154.67
1962	0.08	1981	2.70	2000	165.57
1963	0.11	1982	6.98	2001	212.16
1964	0.16	1983	8.90	2002	286.40
1965	0.10	1984	8.22	2003	403.25
1966	0.21	1985	2.64	2004	609.93
1967	0.21	1986	2.07	2005	818.87
1968	0.24	1987	2.92		

Unit: billion American dollars

Data: www.livebaby.cn & <http://www.safe.gov.cn> 2006-07-05

b. Low income and weak demand for tourism

Though China has been taken in account as an economic giant in the world because of its rapidly increasing GDP during the past few years, the level of Chinese life was very low. Thus although the growth of China's GDP was very fast, its actual GDP was very small compared with the developed countries. In particular, the per capita GDP of China with 1.3 billion people is less than in most countries. The data in Table 3-8 shows that the increase in GDP in China was very fast from 1978 to 1996. The GDP in 1996 is nearly four times more than the GDP in 1978 and the rate of increase has generally been over 5% during this period. The rate of increase in GDP in 1989, with 3.8% is the lowest and that just shows the tourist arrivals and income are share important part in GDP of China.²⁰² Because of the impact of the Tiananmen Square event the number of international tourists declined sharply and it also caused the slow-down in GDP growth. Additionally, China is a great country with a huge population; therefore, the per capita GDP was very low when the GDP is divided by the number of people. If this low per capita GDP implies that most of the nation's

²⁰² The inbound tourist flow declined rapidly after the Tiananmen Square Event from 31.69 million in 1988 to 1 24.5 million in 1989; see Table 3-1

population is poor, then Engel's coefficient reflects the citizens' low living standard. It tells how much of person's income is spent on daily life and can indicate the situation of the common people.²⁰³ Looking at Table 3-7 Engel's coefficient was still higher than 50% both for rural people before 2000 and urban people before 1996. It indicates that the main expenditure of Chinese people was on necessary daily consumption. As is well known, China is a very large country with an enormous of rural population which was 0.78 billion and a high proportion of the total population until the end of the last century. The income of the rural citizen has been very low for many years. The Engel's coefficient of the rural family started to decline down than 50% only after the turn of twenty-first century.²⁰⁴ In such a situation Chinese consumption of leisure was very weak as most income was used for daily essentials. As a result, the demand for private tourism, including domestic and outbound travel, could not be very high before 1996. Therefore, national policy should have been concentrated on obtaining income from inbound tourists but also higher consumption by outbound tourists during that period.

Table 3-7 Chinese income and Engel coefficient 1991-2002

Year	Urban citizen Average governable income	Urban citizen Engel coefficient %	Rural citizen Average governable income	Rural citizen Engel's coefficient %
1991	1 700,6	53,8	708,6	57,6
1992	2 026,6	53,0	784,0	57,6
1993	2 577,4	50,3	921,6	58,1
1994	3 496,2	50,0	1 221,0	58,9
1995	4 283,0	50,0	1 577,7	58,6
1996	4 838,9	48,8	1 926,1	56,3
1997	5 160,3	46,6	2 090,1	55,1
1998	5 425,1	44,7	2 162,0	53,4
1999	5 854,0	42,1	2 210,3	52,6
2000	6 820,0	39,4	2 253,4	49,1
2001	6 859,6	38,2	2 360,4	47,7
2002	7 702,8	37,7	2 475,6	46,2

Unit: Chinese Yuan

Source: The yearbook of China' Statistics (2003), State Bureau of Statistics of People's Republic of China

²⁰³ Wang Weining, 2004, 'An Analysis of Current Situation based on the Change of Management of Foreign Exchange', Management of Foreign Exchange 2004-10, pp.27-28

²⁰⁴ Hu Jianhua and Li Ye, 2004, 'Observing of Development of China's Tourism Market from Tourist Demand', Journal of Jiangxi University of Finance and Economics 2004-6, pp.62-64

Table 3-8 GDP of China 1978-1996

Year	GDP (unit: million of Chinese Yuan)	GDP (unit: million of Dollar)	Increasing rate %
1977	-	-	-
1978	362 410	241 600	11.7
1979	403 820	269 200	7.6
1980	451 780	301 100	7.8
1981	486 240	286 000	5.2
1982	529 470	280 000	10.9
1983	593 450	301 240	15.2
1984	717 100	309 000	13.5
1985	896 440	305 900	8.8
1986	1 020 220	295 700	11.6
1987	1 196 250	321 500	11.3
1988	1 492 830	401 200	4.1
1989	1 690 920	449 100	3.8
1990	1 854 790	388 000	9.2
1991	2 161 780	406 300	14.2
1992	2 663 810	517 200	13.5
1993	3 463 440	601 200	12.6
1994	4 675 940	543 000	10.5
1995	5 847 810	703 700	10.5
1996	6 788 460	818 800	9.6

Source: Economy Yearbook of China

c. The influence of the planned economy

It is widely known that China was thy typical socialist country and had the typical characteristics of a planned economy. As a result, the tourism policy of China was very similar to those of Stalinist countries in East Europe. For instance, services in free of charge provided for inbound tourists at the beginning of P.R China were intended only ‘to promote international peace, understanding and project a favorable image of the host country to the outside world.’²⁰⁵ In other words, China was hoping to enhance the visitor’s cultural and ideological awareness of the host country, thus convincing them of the superiority of socialism. Later on, the policy ‘**develop inbound tourism actively**’ indicated that China’s government was planning to stimulate economic growth with the development of inbound tourism. However, because the regime wished to avoid the introduction of ‘anti-socialist’, ‘revisionist’ or ‘capitalist’ influences which might ‘turn the head’ of the indigenous population working in the tourist industry and coming into contact with foreign tourists, the industry of outbound tourism was strictly limited in China for a long time.²⁰⁶ Though the reform in

²⁰⁵ Han, 1994, p.64

²⁰⁶ Hall, D. R. 1984, ‘Foreign tourism under socialism: the Albanian ‘Stalinist’ Model’, Annals of Tourism Research, 11 (4): 539-55

China aims to establish a market economy within socialism, the influence of a planned economy remained very strong before ‘Mind Liberation’ in China. The speech of Deng Xiaoping about the essence of the socialism in 1992 was undoubtedly an accelerator to the reform of the economy; but the implementation of his guidelines was to be a gradual process. As a result remnants of the planned economy were still visible in national policy. Policies and regulations that limited outbound tourism were a direct result of this. Many rules that regulated travel to visit relatives abroad and borderland travel were also contrary to the law of the free market as well. In a word, the shadow of the planned economy still loomed over the policy of outbound tourism in China. The policy stimulated the boosting of inbound tourism by rapidly developing potential tourism resources, whilst simultaneously hindering the development of outbound tourism through its restrictive rules. In the 1980s and 1990s, like the government of other developing countries, with the help of planned economy Chinese governments ‘strongly committed themselves to the development of their international tourist industries in the firm belief that it would bring substantial economic benefits to their respective countries. Foreign exchange earnings and the creation of employment opportunities were identified as the major reasons for tourism development also taken into consideration’.²⁰⁷

Chapter Summary: Extraordinary Outbound Travel under the Policy Vacuum

For almost twenty years from beginning of the tourism renaissance in 1978 to the first regulation of outbound tourism in 1997, the industry of outbound travel was in a policy vacuum that resulted from the authorities’ ignoring in order to avoid the leakage of foreign currency. However, attempts to organize outbound travel have been made since 1983 when an application to allow a tourist-group to visit their relations in Hong Kong and Macao was made and approved. After the beginning of borderland travel in 1987, travel abroad became possible for some people. Both VRT and borderland travel provided a good foundation for the later boom in outbound travel. Most notably, their development without the leakage of foreign exchange attracted more overseas Chinese and compatriots to make return visits, which in turn resulted in flow of foreign exchange in the other direction, into China. From this perspective, the policy of outbound travel would be said to be pioneering work on the stage of world tourism.

²⁰⁷ John Valton, 1993, ‘*Tourism and economic development in ASEAN*’ in Michael Hitchcock, Victor T. King and Michael J.G. Parnwell (eds.), 1993, ‘*Tourism in South-East Asia*’, Routledge, London, p.229

Chapter 4 The Launching and Adjustment of a Policy of Outbound Tourism (1997-2005)

As already stated, at the early time of the reform and open policy, domestic and outbound tourism were both suppressed to pave the way for inbound tourism. However, in the conferences about national tourism that were called by CNTA in 1996 and 1997 there were discussions in which methods of developing tourism in an all-round way were explored.²⁰⁸ Even before these conferences the vice premier of the State Council who was in charge of tourism work had pointed that it would be advantageous to develop outbound tourism to some degree, as appropriate to China's situation, and to make sure that there was a balance between inbound and outbound tourism as a situation in which foreigners traveled in China while Chinese were not traveling abroad would be bad for tourism.²⁰⁹ Consequently, based on this new government direction, the policy towards outbound tourism changed greatly.

4.1 The Launching of the Policy towards Outbound Tourism

In all countries, tourism policy is the basis of tourism legislation; conversely, tourism legislation is legislated policy and a tool to implement tourism policy.²¹⁰ Therefore, analyzing the way in which tourism has been regulated is an important method of establishing the nature of tourism policy. Historically, the tourism policy of China in the 1990s was simply couched in language of this type, **'promoting inbound tourism vigorously, developing domestic tourism actively and growing outbound tourism reasonably'**.²¹¹ This slogan showed that outbound tourism had been included within the tourism strategy of government, but, because of the ambiguity of 'reasonably', there was wide disagreement about the real meaning of this policy and the real position of outbound tourism in the whole tourism market.

4.1.1 *Interim Measures for the Administration of the Overseas Tours at one's Expenses of Chinese Citizens' in 1997*

After 1983 a handful of Chinese with foreign relatives were allowed to travel abroad. However, most people were barred from outbound travel and it was illegal for travel agencies to organize

²⁰⁸ Wei Xiaolan and Zeng Weibo, 2009, p.118

²⁰⁹ Qian Qichen's speech at National Conference of Tourism Bureau Director on April 15 of 1994, CNTA and Institute of CCP Archive, 2005, p.92

²¹⁰ Yuan Zhengxin and Zhang Guoxing (ed.), 2008, p.7

²¹¹ Zhang Lingyun, 2007, *'New Eyeshot of Tourism Research'*, Tourism Tribune 2007-03, pp.9-12

tourist groups with private payments to go abroad for quite a long time after this.²¹² The change in this situation resulted from the publishing of the regulation *Interim Measures for the Administration of Overseas Tours at the Expenses of Chinese Citizens' (Interim Measures)* in 1997. The most important contribution of this regulation was that it gave official recognition to outbound tourism paid for by the tourists themselves. Although there were still many barriers in this regulation, the legal position of privately financed outbound tourism has been recognized by China's government since then. There is a common view that approval of *Interim Measures* by the state council in 1997 marks the official beginning (take off) of outbound tourism at Chinese citizens' own expense and the industry of outbound tourism was truly on the road to development by from this point onwards.²¹³ However, some people pointed out that this regulation was still aimed to control the development of outbound tourism. In their view, the word of **reasonably** in this regulation once again implied that the number of travel agents with a license to run foreign travel, the quota of outbound tourists and the number of ADS should be restricted.²¹⁴ Indeed, there are six articles in this regulation, but three of them are strict restraint.

• Authoritative Destination Status

In the first article of *Interim Measures* there is the rule of Authoritative Destination Status. According to that, private Chinese tourists were only allowed to travel to those countries which had tourism agreements with the Chinese government.²¹⁵ This article directly influences citizens' consuming range abroad and reflects the degree of openness.²¹⁶ As a tool, the number and approval speed of ADS were important reflections of tourism policy. During the period when the industry of outbound tourism was restricted by the government, the process of ADS was very rigid. When the application was made for destination country, the China National Tourism Administration first of all suggested to Foreign Ministry that it be discussed. Its final approval was achieved through diplomatic negotiation and a signing ceremony attended by the leaders of both countries.²¹⁷ In addition to the complex process involved many conditions had to be taken into account for ADS to be approved:

- The country must be a Tourism-Source-Country for China.
- This country must have political amity with China.
- Its tourism resources must be attractive for Chinese tourists.

²¹² Wei Xiaonan and Zeng Bowei, 2009, p.106

²¹³ Wei Xiaonan and Zeng Bowei, 2009, p.15

Shen Lihua 2002, 'Development Situation of Tourist Economy in China', Seashore Work 2002-06, pp.13-20

²¹⁴ Cai Jiacheng, 2002, 'Discussing on the Reform of China's Outbound Travel Management'. Tourism Tribune, 2000-03, pp.13-118

²¹⁵ Law Department of CNTA (eds.), 1997, *Policy and Law*, Tourism Education Press, p.148

²¹⁶ Wei Xiaonan & Zeng Bowei, p.161

²¹⁷ Law Department of CNTA (eds.), 1997, *Policy and Law*, Tourism Education Press, p.148

- It is safe and there is no discrimination against Chinese tourists.²¹⁸

Because of these strict preconditions, there was a very slow expansion of destinations for Chinese tourists at the end of last century. Looking at Table 4-1, only Hong Kong, Macao and three south-east Asian countries were ADS at the beginning of the 1990s. Before 2000 the Chinese government added Cambodia, Vietnam, Burma, Laos, Brunei, Nepal, Thailand, Philippines, South Korea, Australia, Japan and New Zealand as new destinations. In total, the official destinations of Chinese tourists included only fourteen countries and two special areas; but no European countries. (See Table 4-1) It is generally known that outbound travel is more expensive than domestic travel; therefore, the handful of rich Chinese make up the majority of outbound tourists. After repeated trips to the same few countries, their desire for foreign travel will decline because of the destinations available to them become “boring”. Clearly, the rule of ADS was aimed to prevent too rapid an increase in outbound tourist numbers and too rapid a development of the industry of outbound tourism.²¹⁹

• The license for dealing with outbound travel

As a new opportunity, dealing with outbound travel was a hotly-pursued business for every travel agency in China. In order to limit the speed of the expansion of overseas travel and control the service quality, an article in *Interim Measures* prescribed a license for dealing with outbound travel.²²⁰ This meant that not every travel agency had the right to organize groups of outbound tourists. The requirements for obtaining a license for engaging in outbound travel depended on such factors as the agency’s contribution to inbound tourism, its reputation for service and so on. Because of the higher threshold for obtaining this license, there were only sixty-seven travel agencies authorized to handle outbound tourism before the turn of the century and most travel agencies in China could not take part in the outbound business.²²¹ The original aim of this rule was to limit the business of overseas travel to within a small field; but, its effect exceeded the expectations of the government. Surprisingly, the license system became a tool for monopolizing outbound travel and caused chaos in the tourism market in China.²²²

²¹⁸ Wei Xiaolan and Zeng bowei, p.162

²¹⁹ Liu Wenbo, 1999, ‘*Current Situation & Trend of China’s Outbound Tourism Market*’, Business Economy and Management 1999-03, pp.54-58

²²⁰ Law Department of CNTA (eds.), 1997, *Policy and Law*, Tourism Education Press, p.148

²²¹ Liu Wenbo, 1999, ‘*Current Situation & Trend of China’s Outbound Tourism Market*’, Business Economy and Management 1999-03, pp.54-58

²²² Shu Boyang, 2004. ‘*A study on the Current Situation and Trend of Chinese Outbound and the Administration of Policy*’, China’s Soft Science, 2004-11, pp.31-34

- **The quota system of outbound tourists**

After many years of restrictions, Chinese desire for foreign travel was very strong at the end of the 1990s and travel agencies were also anxious to operate in the outbound tourism business. To put it simply, both tourists and travel agencies were eagerly awaiting the liberalization of private outbound tourism. However, the quota system for outbound tourists in *Interim Measures* was largely restricting any increase in their number. The rule in article 2 required that a travel agency with a license could organize a given number of outbound tourists corresponding to the number of inbound tourists receiving in the previous year.²²³ This rule actually had a double purpose, the one is to stimulate the development of inbound tourism and increase incoming foreign exchange, and the other one is to restrict the expansion of outbound tourism. Unexpectedly, the advent of this rule caused many subsequent problems in the tourism market.

4.1.2 Problems in the market of overseas travel caused by ‘*Interim Measures*’

As noted above, ‘**promoting inbound tourism vigorously, developing domestic tourism actively and growing outbound tourism reasonably**’ was still the tourism slogan of China in the 1990’s. Analyzing the content of *Interim Measures* we can see that the meaning of reasonably was to limit the development of outbound tourism. The main methods of limitation included Authoritative Destination Status, License of Travel Agency and the Quota of Outbound Tourists. Unquestionably, those rules were very useful to control the fast rise in outbound tourists; but the problems caused by these articles were also very serious and even impacted the stability of the tourism market and the implementation of tourism strategy.

a. The contradiction of demand-supply

Clearly, the original aim of the three above methods in *Interim Measures* was to restrict the expansion of outbound tourism and protect the development of inbound tourism to some extent. Unexpectedly, in practice these measures became a two-edged sword: they did control the rapid expansion of outbound tourism to some extent, but they caused many serious problems in the market of outbound tourism and even caused some potential troubles in the field of inbound tourism meanwhile. The most obvious problem was the failure of supply to meet demand for outbound travel.²²⁴ Because of ADS, Chinese tourists could not go to those countries without a tourism

²²³ Law Department of CNTA (ed.), 1997, *Policy and Law*, Tourism Education Press, p.148

²²⁴ Xu Zhenxiao, 2002, ‘*An Analysis of the Inefficiency of China’s Outbound Travel Market and Some countermeasures*’. Tourism Science 2002-01, pp.43-46, Feng Wei, 2005, ‘*The Analysis of Current Situation and Future Development of Outbound Tourism in China*’, Economic Geography 2005-03, pp.244-247

agreement with China. For example, Europe was an attractive destination and a large number of people were hoping to visit there. According to the analysis of one questionnaire, a quarter of Chinese expressed the hope of traveling to Europe at least once.²²⁵ However, in the last century not one European country got the right to receive privately-financed Chinese tourists. In addition, travel agencies could not freely organize any group of outbound tourists even to countries with ADS. The scale of the quota of outbound tourists was based on the amount of inbound tourists they received in the previous year. As a result of above three rules, the contradiction within the market of outbound tourism was remarkable. In business terms, the demand greatly exceeded the supply. Both the number of destinations and the quota of tourists were lower than the demand in the market.²²⁶ Consequently, in order to travel to unofficial destinations, lots of people took other channels to go abroad. It was mentioned in the last chapter that the number of business tourists was higher than then number of private tourists for many years before 1997; this phenomenon showed that travel agents were prevented from operating to some extent because of the restriction of national policies. Because of this, overseas tourists using travel agencies only made up a small proportion of total number of tourists abroad until the end of the last century. The actual effect of the rules restricting outbound tourists through travel agencies was indirectly to stimulate another wave of tourism disguised as business travel.

b. The monopolization with abnormally high benefits

Unquestionably, the license system for handling outbound tourism gave monopolistic advantages to some national travel agencies. There were only sixty-seven Chinese tourism companies with the authority to operate foreign travel for tourist groups before 2002.²²⁷ This means that the majority of travel agencies in China were not allowed to participate in the business of outbound tourism. The licensed travel agencies controlled the price system and got abnormally high benefits from the running of outbound tourism. As a result of this situation two unexpected problems arose. First, some small travel agencies without the license bribed licensed companies to share in their quota of outbound tourists; and the price of overseas travel consequently increased to cover the expense of the bribe. Thus, price chaos resulted in the foreign travel market because of illegal activity. In the final analysis, the chaos was caused by the license system and monopoly. To make matters worse, benefits from the monopoly went to travel agencies which contributed to inbound tourism, but

²²⁵ Zhong Haisheng & Guo Yingzhi, 2001

²²⁶ Xu Zhenxiao, 2002, pp 43-46

²²⁷ Liu Wenbo, 1999, '*Current Situation & Trend of China's Outbound Tourism Market*', Business Economy and Management 1999-03, pp.54-58

because of the fat benefits from their outbound tourism business, their attention turned to outbound tourism only gradually, so that inbound tourism was influenced as well.²²⁸

c. Problems in the market of outbound tourism

The original goal of *Interim Measures* was once to limit the development of outbound travel and save foreign exchange through strict rules, but its practice was achieving the opposite. In the Chinese market of outbound tourism at the end of the last century, illegal activities which were developed to evade those rules abounded. For example, there was a special phenomenon in China that ‘though Europe was not an officially approved destination country for Chinese tourists traveling at their own expense before 2004, many Chinese tourists have traveled in Europe’ in the last century’.²²⁹ This fact indicated that the system of official destinations was an obstacle only to the privately financed tourists. However, business and disguised business tourists were not bound by it and thus some people could find other means to fulfill their travel dreams. This situation provides a good explanation for the large number of business tourists at that time. As a result, most Chinese travel agencies relied on business tourists, not private tourists. Moreover, in order to obtain a higher quota of outbound tourists, travel agencies commonly constructed illusory reports of the number of inbound tourists they brought to China. In addition, the corruption in the travel agency business mentioned above was a unique phenomenon in the world. All these illegal activities resulted from efforts to evade the limitations of national tourism policy. These problems indicated that the regulation ‘*Interim Measures for the Administration of the Overseas Tours at one’s Expenses of Chinese Citizens*’ with its three-pronged restriction system was not efficient and needed to be adjusted to conform to the development of the tourism industry and the changing of social situation.

4.1.3 ‘*Measures for the Administration of the Overseas Tours of Chinese Citizens*’ and the adjustment of policy on outbound tourism in 2002

At the beginning of the twenty-first century, Premier Zhu Rongji pointed out that tourism was an unattainable luxury, when people’s basic need for food and clothing was not satisfied. But a more wealthy society was developing in China and as a physical and spiritual need, tourism was becoming a possibility for the common people, as well as being a vigorous industry that assisted in

²²⁸ Xu Zhenxiao, 2002, ‘*An Analysis of the Inefficiency of China’s Outbound Travel Market and Some countermeasures*’. Tourism Science 2002-01, pp.43-46

²²⁹ Li Jianxin, 2006. ‘*The Changes and Trends of the Chinese Outbound Travel*’, Human Geography 2006-03, pp.83-87

economic growth. Tourism affects many aspects of society, and its rapid development reflects the enormous economic and mental changes that have occurred since the Reform and Open Policy.²³⁰

In the speech of the premier referred to above, tourism was no longer taken to mean only inbound tourism and mass tourism involving with the common Chinese people had become an attainable reality. Both domestic tourism and outbound tourism were now important components in the market. Thus, tourism policy does not merely focus on inbound tourism anymore, and it encourages an integrated development of domestic tourism, outbound tourism and inbound tourism. Under the umbrella of the new strategy, the State Council issued '*Measures for the Administration of the Overseas Tours of Chinese Citizens*' in 2002 to take the place of '*Interim Measures*' in 1997. New Measures consists of 33 rules²³¹ and it is more developed than '*Interim Measures*'. There are important revisions in the first six articles, which indicate a significant adjustment to the policy of outbound tourism.

Article 1 pointed that this regulation is designed to regulate travel agencies and the operation for organizing of outbound tourism and guarantee the legal rights of both outbound tourists and operator.

Article 2 states that it is not permitted to organized tour groups to destination countries that are not on the list published by the tourism administration department of the state council.

Article 3 states that in order to operate an international tourism business, travel agencies need to fulfill the following conditions:

- obtaining an annual international travel agency license over a year
- performing outstandingly in the inbound tourist business
- operating without seriously violating laws

Article 4 declared that travel agencies applying for a license to operate an international business should put make their application to the tourism administration departments of the provinces, autonomous regions or municipalities. And these administration departments should complete examination of the application within thirty days in accordance with Article 3.

Article 5: The tourism administration department of the state council should announce the list of travel agencies which obtain the necessary qualifications to operate an outbound tourism business.

²³⁰ Premier Zhu Rongji (1998-2002), the speech at the National tourism development work conference on January 9 of 2001, CNTA and Institute of CCP Archive, 2005, pp.148-149

²³¹ Law Department of CNTA, 2004, *Policy and Law (5th version)*, Tourism Education Press, p.507

Article 6: On the basis of the inbound achievements of the last year, any increase in the number of destination countries and the trends of outbound tourism, the tourism administration department of the state council confirms the total number of people who will be permitted to travel abroad this year before January of this year and informs the tourism administration departments of the provinces, autonomous regions or municipalities.²³²

The issue of the new *Measures* caused heated discussion in Chinese academic circles, and the general opinion that the Chinese government had loosened the policy of outbound tourism management, which had significant implications for outbound tourism development:

Firstly, it is notable that '*Interim Measures*' in 1997 was issued by CNTA, while the new *Measures* in 2002 was issued by the State Council. This indicates that the Chinese government is putting more and more emphasis on the development and management of the tourism industry. And that means the management measure turns to the legislation from the administration.²³³

Secondly, there was no use of the phrase 'at their own expense' in the title. This change means that Chinese tourists were free to found their own travel or go abroad at public expense. 'Public expense' here means paid for by a state agency or enterprise offering its employees overseas travel as a prize or benefit. However, it is still forbidden for such travelers to have sightseeing excursions at the government's expense. This change once again expanded the source of outbound tourists. Therefore, this loosening of legislation on outbound travel will continue to make outbound tourism a popular activity of the common people.

Thirdly, the biggest change in the new regulation was that there is no mention of 'reasonably develop outbound tourism with the planning, organizing and controlling'. This was a very strong signal that the meaning of 'growing outbound tourism reasonably' had been changed actually. Moreover, most articles in the new document worked to the benefit of outbound tourists, in that they were focused on protecting them, unlike that the core of *Interim Measures for the Administration of the Overseas Tours at one's Expenses of Chinese Citizens* in which the focus was on limiting the travel agents' activities.²³⁴

Fourthly, the system of quotas for overseas tourists was replaced in the new document by control of total number. This adjusting indicated that the rule of the market economy had deeply influenced

²³² CNTA and Institute of CCP Archive, 2005, *Comments of Leaders on Tourism (1978-2004)*, China Tourism Press & Institute of CCP Archive Press, p.350

²³³ Wei Xiaolan & Zeng Bowei, P.158, in China, regulations published by the State Council which is central authority, have legal force.

²³⁴ Gao Shunli, 2002, '*Handling Several Relations while Developing Outbound Tourism under the New Situation*', Tourism Tribune 2002-06, pp 42-44

the operation of outbound tourism, and China's tourism industry had started to be directed more by the market than by a national plan.

Fifthly, the approval time for outbound tourism operation application was shortened greatly. The fourth article ruled that the limit for the approval time was thirty days.²³⁵ Although the license for handling outbound tourism was not canceled, many more travel agencies had been given the license to run the business of outbound travel because of the shortening of the approval period. By 2005 CNTA had given 529 of the 1,358 existing travel agencies (38.9%) the right to organize overseas travel.²³⁶ This indicated that the way government wished to encourage competition rather than monopoly in the tourism market.²³⁷

Finally, although the rule of ADS has not been removed, the precondition to approve ADS had altered considerably. 'Co-operation and win-win' are new catchwords in diplomacy,²³⁸ and in this environment the speed of approving destinations became much faster than before. There were only twenty-eight destination countries for China in the period 1983-2002; but fifty new official destinations were allowed in 2003-2004. (See Table 4-1)

Table 4-1 ADS of China 1983-2005

Year	Destination
1983	Hong Kong & Macao
1988	Thailand
1990	Singapore & Malaysia
1992	Philippines
1998	Korea
1999	Australia & New Zealand
2000	Japan, Vietnam, Cambodia, Burma and
2002	Indonesia, Malta, Turkey, Egypt and Nepal
2003	Germany, India, Sri Lanka, South Africa, Croatia, Hungary, Pakistan and Cuba
2004	Greece, France, Holland, Belgium, Luxemburg, Portugal, Spain, Italy, Austria, Finland, Sweden, Czech Republic, Estonia, Latvia, Lithuania, Poland, Slovenia, Slovakia, Cyprus, Denmark, Iceland, Ireland, Norway, Romania, Switzerland, Liechtenstein, Ethiopia, Zimbabwe, Tanzania, Mauritius, Tunisia, Kenya, Zambia and Jordan
2005	Fiji, United Kingdom/Britain, Chile, Russia, Mexico and the counties of the European Union

Source: www.cnta.gov.cn, 2005.01.21 & Xia Ling, 2006, House. p.108

²³⁵ Law Department of CNTA, 2004, *Policy and Law (5th version)*, Tourism Education Press, p.505

²³⁶ Gao Shunli, 2002, 'Handling Several Relations while Developing Outbound Tourism under the New Situation', Tourism Tribune 2002-06, pp.42-44

²³⁷ Wei Xiaolan & Zeng Boyang, p.148

²³⁸ He Ping, Yu Jinghua, Li Peng and Hu Xiaolei, 2008, *Globalization & International Politics*, CCTP Central Complication & Translation Press, p.48

To sum up, this new regulation canceled many restrictions on the foreign travel business. The relaxing of rules affecting for outbound tourists and travel agents show that the policy of outbound tourism has changed dramatically and **reasonably** came to imply something that promoted the development of the industry of outbound tourism of China.²³⁹ An examination and comparison of ‘*Interim Measures*’ and *Measures for the Administration of the Overseas Tours of Chinese Citizens*’ makes it clear that the policy of outbound tourism in China was changed enormously at beginning of the present century. First of all, first regulation gave the business of outbound tourism at the tourists’ expense official recognition. Many rules for controlling outbound tourism were deleted in second law. Although the slogan of tourism policy ‘**promoting inbound tourism vigorously, developing domestic tourism actively and growing outbound tourism reasonably**’ had not changed from 1997-2005, the meaning of **growing outbound tourism reasonably**’ was drastically changed along with the publishing of the new regulation in 2002. Three rules - **official destination, licensing of overseas travel and quotas for outbound tourists** in *Interim Measures* showed that the meaning of ‘**reasonably**’ was to control and restrict the development of outbound tourism. However, ‘*Measures for the Administration of the Overseas Tours of Chinese Citizens*’ removed many barriers and paid more the attention to the quality of the service for outbound tourism, which also indicated that the policy on tourism has been changed a lot.²⁴⁰ In another words, the main point of ‘*Interim Measures*’ in 1997 was to strictly control the development of overseas travel strictly, but the law of ‘*Measures for the Administration of the Overseas Tours of Chinese Citizens*’ in 2002 was to manage the market of outbound tourism well.

²³⁹ Zhang Lingyun, 2007, ‘*New Eyeshot of Tourism Research*’, Tourism Tribune 2007-03, pp.9-12

²⁴⁰ The new regulation has 33 articles, and articles from 10 to 33 are all about how to regulate service of travel agencies and protect tourists’ right. See Law Department of CNTA, 2004, *Policy and Law (5th version)*, pp.507-510

4.2 The Influence of Tourism Policy 1997-2005

In the 1990s, East Asia, South-East Asia and the Pacific area experienced the fastest growth in regional tourist arrivals in the world, at an average of 9.2 % per annum, while South Asia also experienced an average annual growth of 4.2 per cent.²⁴¹ The reason for this dynamic increase has been summarized as ‘demographic changes, increasing disposable income levels, heightened emphasis on sustainability, greater availability of leisure time, new communication tools and technology, higher levels of education, emerging tourism markets, growth in the supply of facilities and destinations and other supplementary factors are having an impact on the demand for tourism. The supply site of tourism, for the most part, is meeting most tourists’ demand’.²⁴² Chinese tourists made a major contribution to this tourism development in Asia. The regulation ‘*Interim Measures*’ in 1997 provided the first official recognition of the concept of outbound tourism. Moreover, some limitations on outbound tourists were removed in the *Measures for the Administration of the Overseas Tours of Chinese Citizens*’ in 2002. Because of the relaxation of management policy the industry of outbound tourism in China developed rapidly at the turn of the century.

• Rapid increase of the number of the tourists abroad

Since the sovereignty of Hong Kong and Macao was transferred in 1997 and 1999 respectively, in order to encourage the health development of mainland citizens’ travels to Hong Kong and Macao, the quota has been increased greatly and the number of travel agencies engaged in outbound tourism has also increased gradually. The rule that only citizens with relatives in Hong Kong and Macao and travel expenses paid by relatives could travel had been eliminated already...²⁴³

In October 1998, an individual visit scheme was approved in Beijing, Shanghai and Guangzhou.

In 2001, there were only six travel agencies operating in the Hong Kong and Macao travel business. By October 2002, once Hong Kong and Macao travel was integrated with outbound tourism, the number of engaged travel agencies increased to ninety-nine.²⁴⁴ Then, the policy guards for Hong Kong and Macao travel business was almost eliminated.

In 2003, the central authority decided to allow individual people or any people not in official tourist groups visit to Hong Kong and Macao, and citizens could go to Hong Kong and Macao freely with a Hong Kong visa.²⁴⁵ In the same year, citizens in Guangdong Province were permitted to traveling

²⁴¹ World Tourism Organization, 1990

²⁴² David L. Edgell, Sr, Maria Delmastro Allen, Ginger Smith, Jason R. Swanson, 2008, p.3

²⁴³ Wei Xiaoan & Zeng Bowei, 2009, p.168

²⁴⁴ Wei Xiaoan & Zeng Bowei, 2009, p.168

²⁴⁵ Wei Xiaoan & Zeng Bowei, 2009, p.169

to Hong Kong and Macao with only ID card, the policy guard for Hong Kong and Macao travel was abandoned altogether.²⁴⁶

Apart from Hong Kong and Marco, the Chinese government approved seventy-eight countries as ADS from 1998 to 2004. Most importantly, the official draft of a tourism agreement between the EU and China was finally signed in 2004. This was an important event on the stage of international tourism. The agreement enabled a great tourist-country to send people to a prime tourist destination, which should significantly affect the tourism market. Since then Chinese have had new destinations to choose from, and the EU has had more tourists. Both Chinese researchers and European businessman think that China will be one of the biggest resource-tourist-countries for the EU countries in this century. It is predicted that the countries of the EU nations will receive 10%-15% more Chinese tourists.²⁴⁷

Undoubtedly, along with the opening up of Hong Kong and Macao tourism and the signing of ADS with EU countries, more and more Chinese are now able to go abroad, not just those with relatives. Travel agencies can now organize tourist-groups for distant destinations in addition to cross-border travel. These adjustments created a larger pool of tourists, and travel agencies consequently experienced a huge growth. Table 4-2 shows the number of outgoing Chinese from 1996-2005. The average rate of increase in those years was 24%, making it unquestionably the fastest growth in the world. The surprising increase of 58% in 1997 attested to the close relationship between the '*Interim Measures*' and the development of the industry of outbound tourism. In particular, the number of Chinese tourists was up to 20 million in 2003, even more than Japan (17 million). China was the leading Asian country in tourist-export in that year.²⁴⁸ With such large numbers of tourists abroad and such a fast growth rate, WTO forecast that China would be the fourth tourist-generating country in the world by 2020 with 137 million international arrivals and 100 million outbound tourists.²⁴⁹

²⁴⁶ Wei Xiaolan & Zeng Bowei, 2009, p.169

²⁴⁷ Li Jianxin, 2006. '*The Changes and Trends of the Chinese Outbound Travel*', Human Geography 2006-03, pp.83-87

²⁴⁸ Wang Weining, 2004, '*An Analysis of Current Situation based on the Change of Management of Foreign Exchange*', Management of Foreign Exchange 2004-10, pp.27-28

²⁴⁹ WTO, *Tourism: 2020 Vision-Executive Summary* [R]. Madrid: World Tourism Organization, 1997

Table 4-2 The number of outbound Chinese 1996-2005

Year	Total number Unit: million	Increase	For business -purpose Unit: million	Increase	For private- purpose Unit: million	Increase
1995	-	-	-	-	-	-
1996	5,06	12,0%	2,64	7,3%	2,41	17,5%
1997	7,99	58,0%	5,55	11,0%	2,43	1,0%
1998	8,24	3,1%	5,23	-8,7%	3,19	30,8%
1999	9,23	9,6%	4,96	-5,1%	4,26	13,7%
2000	10,47	13,43%	4,84	-2,51%	5,63	31,99%
2001	12,13	15,9%	5,18	7,2%	6,94	33,3%
2002	16,60	36,8%	6,54	26%	10,06	44,8%
2003	20,22	21,8%	5,41	-17,3%	14,81	47,2%
2004	28,85	42,68%	5,87	8,55%	22,97	55,15%
2005	31,02	7,5%	5,88	0,2%	25,14	9,4%

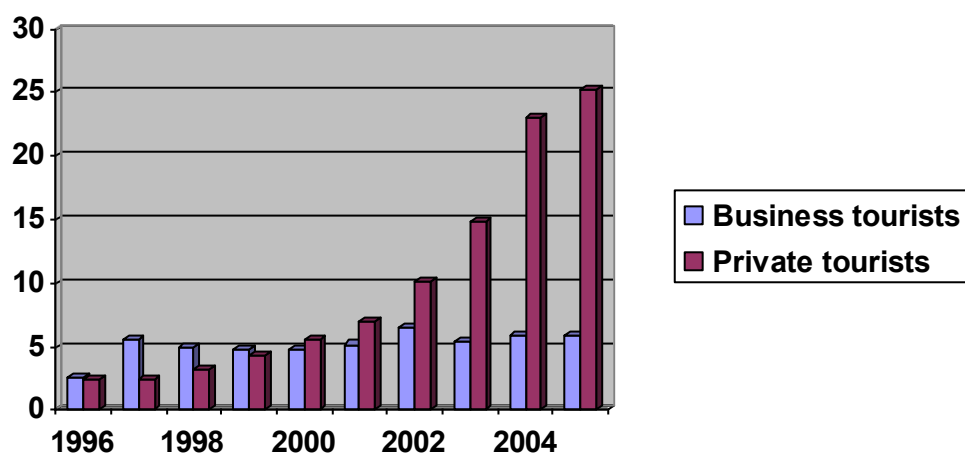
Source: Yearbook of China's Statistics 1996-2005

• The change in the structure of outbound tourism

There was a particular problem in the structure of Chinese tourism abroad in the precursor period between 1983 and 1996, namely that --- business travel was far more common than private tourism. Figure 4-1 shows that the proportion of tourists that were private was much lower than business tourists before 2000. Because privately financed outbound travel was illegal, the source of outbound tourism was very narrow. In practice, the policy restrictions of VRT forced those people who wanted to travel abroad to use other channels other than travel agencies.²⁵⁰ However, this situation has gradually changed since 1997. Because of the implementation of 'Interim Measures', common people who have no relations abroad are offered the same chance for foreign travel as those who have. This rule expanded the range of tourists greatly, and as result, the number of private tourists increased sharply to three million in 1998. (see Table 4-2) In that year the rate of increase was over 30% higher than in the previous year. According to the statistics this volume of private tourists contributed greatly to the development of outbound tourism after 2000. In contrast to the increase in the number of private tourists, the share of business tourism became smaller. This negative change in business travel is to some extent a positive signal to the industry of outbound tourism. The shift in the structure of the foreign tourism indicated that outbound tourists were starting to use the normal channel of travel agencies. As a result, the phenomenon of illegal of disguised business travel is decreasing gradually along with the liberalization of travel at private expense.

²⁵⁰ Wang Shiwei, 2007, *The Outbound Tourism Policy of the Mainland China*, Suiwei Ltd, p.117

Figure 4-1 The sources of outbound tourists 1996-2005



Source: Yearbook of China's Statistics 1996-2005

Unit: million

- **The three markets of the tourism industry were going to be more balanced**

It is understandable that developing countries usually pay attention first to inbound tourism in order to earn foreign exchange, and in China there was a big gap between inbound and outbound tourism for some years. Consequently, it would be expected that the position of outbound tourism would be lowest in the tourism field. Though the macro-policy of tourism ‘**promoting inbound tourism vigorously, developing domestic tourism actively and growing outbound tourism reasonably**’ theoretically includes outbound tourism, the ambiguous word ‘reasonably’ actually reflected the original idea that China’s government would not to develop the industry of outbound tourism. Therefore, there were ten times more inbound than outbound tourists from 1993-1996. (see Table 3-7) Such a big difference was the aim of the policy. However, the huge imbalance between inbound and outbound tourism was unquestionably harmful to the harmonious development of tourism industry. As Premier Zhu Rongji said “it is bad for tourism, if there are only foreigners traveling in China without Chinese traveling abroad.”²⁵¹ The great differences in tourism patterns brought about similar difference between tourist-receiving and tourist-generating countries. This wide gap was certainly gave an important impetus towards the adjustment of tourism policy. The regulation of ‘*Measures for the Administration of the Overseas Tours of Chinese Citizens*’ was just one step in this adjustment. The publishing of this law really released the restrictions on foreign travel. Based on the extension of tourist sources, the share of overseas travel in the tourism market increased considerably; moreover, since then the growth rate in the number of tourists abroad has been faster

²⁵¹ CNTA and Institute of CCP Archive, 2005, *Comments of Leaders on Tourism (1978-2004)*, China Tourism Press & Institute of CCP Archive Press, p.92

than those in numbers of inbound and domestic tourists in China, (see Table 4-3) although the absolute number of outbound tourists is still far smaller than that of inbound tourists. Clearly, the increasing trend of rising outbound tourist numbers was upwards, which meant that the tourism market in China was likely to become more balanced.

Table 4-3 Comparison of the three markets of the tourism industry of China 2001-2005

Year	Inbound tourists (Million)	Increase rate %	Outbound tourists (Million)	Increase rate %	Domestic tourists (Million)	Increase rate %
2000	-	-	-	-	-	-
2001	89,01	6,7	12,13	15,9	784,00	5,3
2002	97,91	10	16,60	36,8	878,00	12
2003	91,66	-6,4	20,22	21,8	870,00	-0.9
2004	109,04	19	28,85	42,7	1 100,00	26.4
2005	120,29	10,3	31,03	7,5	1 212,00	10
Average		7,8		26,5		11,5

Source: Tourism Statistics of CNTA and the communiqué of China's Bureau of Statistics

4.3 The background to the Launching of a Policy on Outbound Tourism

The nature of tourism has generally been recognized as not only a “continuation of politics” but an integral part of the world's political economy. In short, tourism is, or can be, a tool used not only for economic but for political means.²⁵² Moreover, ‘tourism policy needs to be considered as potentially subsumed beneath a broader range of government economic, social, welfare and

²⁵² Edgell, David, L. 1990, *International Tourism Policy*, Van Nostrand Reinhold, New York

environmental policies'.²⁵³ The point made is that the decisions on tourism policy in any country are affected by economic development strategies and the political system, In addition, 'tourism is as much an aspect of foreign policy as it is a commercial activity and the global tourism infrastructure now forms an important component of international relations'.²⁵⁴ Therefore, both the domestic economy and international politics are of some importance to the adjustment of policy of outbound tourism.

4.3.1 The rapid development of the domestic economy

As luxurious consumption, outbound tourism is always tied to the population with more wealth or with expendable income. Therefore, the development of mass outbound tourism mainly depends on the level of the economy. To some extent, tourism is the after-effect and reflection of economic development.²⁵⁵ In 1994, in his speech at the national symposium of the general director of tourism bureau, Vice-premier Qian Qichen pointed out that along with the rapid growth of the national economy and improvement in peoples' living standard, demand for tourism also increases. Especially after the implementation of a 40-hour workweek, domestic tourism showed sigh of increasing.²⁵⁶ Outbound tourism at citizens' own expenses had started by then, and most of destinations were countries and regions close to China. It was beneficial to launch outbound tourism gradually.²⁵⁷ This speech indicated that the government's attitude to tourism had changed. With the rapid development of the economy and the improvement in peoples' living standards, tourism has been a part of a new tourism strategy designed to meet a higher level of demand. At the beginning of the twenty-first century, Premier Zhu Rongji pointed out that tourism was an unattainable luxury when people's basic need for food and clothing was not satisfied. But China had become a more wealth society, and as physical and spiritual need, tourism is becoming a possibility for common people, so as a vigorous industry, tourism has become new economic growth point. Tourism is a chain that affects many aspects of society, and its rapid development reflects enormous changes economically and mentally since the Reform and Open Policy.²⁵⁸ With the tremendous improvement of people's living standard, tourism has become a 'necessity' to common people.

²⁵³ Colin Michael Hall 1994, p.45

²⁵⁴ Mowlana, H. and Smith, G., 1990, '*Tourism, Telecommunications and Transnational Banking: a Framework for Policy Analysis*', *Tourism Management*, 11 (4): 315-324

²⁵⁵ CNTA and Institute of CCP Archive, 2005, *Comments of Leaders on Tourism (1978-2004)*, China Tourism Press and Institute of CCP Archive Press, p.91

²⁵⁶ Qian Qichen was in charge of foreign affair and tourism as vice premier of the State Council(1998-2002) and this speech can be found in CNTA and Institute of CCP Archive, 2005, P.91

²⁵⁷ CNTA and Institute of CCP Archive, 2005, P.92

²⁵⁸ CNTA & Institute of CCP Archive, 2005, p.147

As a method of observing, the development of the Chinese economy the data from the Five-year plans are a key source. Based on the experience of the Soviet Union the government of P.R China made the first Five-year plan (FYP) for the national economy in 1953; since then FYP became an ever-present unit in Chinese statistics of the economy except in the period 1963-1965. Discussion of the Five-year plan used to be the most important part of the agenda for the Chinese People's Congress and it is a high-frequency word in the Chinese economical system. The statistics of the Five-year plan (FYP) indicate that China's economy developed rapidly after 1978 because of the reforms and open-door policy, in particular, during the eighth FYP of 1991-1995. The Gross Domestic Product (GDP) of China in 1995 reached 5,760 billion Chinese Yuan, 4.3 times the entire of GDP of the fifth FYP. The growth rate of the GDP was sustained at 11% per year during the eighth five-year plan.²⁵⁹ According to these data, the GDP of China in the period of ninth and tenth Five-year plans (1996-2000 and 2001-2005) was at a surprising level. Generally, the growth rate of GDP in past thirty years was on average about 10 percent annually. Consequently, citizen income was rising along with it. Looking at Table 4-4 we can see that the income of urban citizen increased very rapidly in the period from 1992 to 2002. The average personal income of the urban citizen doubled in the ten years and reached 931\$ in 2002. Although the level of per capital GDP and personal average income in China were much lower than in developed countries, however, the high Gini coefficient showed that the gap between the rich and the poor in China was very large. Most property is actually in the hands of a minority. As is well known; the Gini coefficient is an inequality index and measures the inequality of income distribution within a country. It varies from zero, which indicates perfect equality, with every household earning exactly the same, to one, which implies absolute inequality, with a single household earning a country's entire income. Latin America is the world's most unequal region with a Gini coefficient of around 0.5; in rich countries the figure is closer to 0.3. It was higher in China at 0.47 in 1997.²⁶⁰

²⁵⁹ The data is from *Comprehensive Statistical Data and Materials on 50 years of New China*, Compiled by Department of Comprehensive Statistics of National Bureau of Statistics, China Statistics Press, 1999, p.3

²⁶⁰ Dai Xuefeng and Wu Ning, 2006, '*An Analysis of Negative Impact of the Rapid Growth of China's Outbound Trade*' Tourism Tribune 2006-02, pp.41-45

Table 4-4 GDP/ person and the income of urban citizens of China 1992-2004

Year	GDP/ person	Average income / urban citizen
1992	2 287	2 026.6 ¥ \approx 444.07\$
1993	2 939	2 577.4 ¥ \approx 447.30\$
1994	3 923	3 496.2 ¥ \approx 405.63\$
1995	4 854	4 283.0 ¥ \approx 514.96\$
1996	5 576	4 838.9 ¥ \approx 583.70\$
1997	6 054	5 160.3 ¥ \approx 623.97\$
1998	6 308	5 425.1 ¥ \approx 655.99\$
1999	6 551	5 854.0 ¥ \approx 707.85\$
2000	7 086	6 280.0 ¥ \approx 759.37\$
2001	7 651	6 859.6 ¥ \approx 829.45\$
2002	8 214	7 702.8 ¥ \approx 931.41\$
2003	9 111	8 472.2 ¥ \approx 1024.44\$
2004	10 561	9 421.6 ¥ \approx 1139.25\$

Source: 261

Obviously, tourism is a high expenditure activity, and the tourist therefore requires a high income level to support it. Although income depends on one's education, capability and the degree of hard work at an individual level, a vigorous economy in a country or region an important element in determining one's income level. Therefore any study of the economic elements of outbound tourism in a country or region must start with the macroeconomic background in that country or region. Of course, an economic aggregate is only a general index reflecting the economic vigor of a country or region, but those who actually contribute to outbound tourism are the high income class who are able to afford it. So the income gap and ratio of the class who can afford it are playing substantial role in outbound tourism, since cross-border high consumption is involved in.²⁶² After many years of economic development, a large middle class has emerged in China.²⁶³ In 2001 the China's Information Center pointed out that there will be 200 million people in the middle class within five years, and those people with their own houses and cars can be expected to spend on tourism.²⁶⁴ China always had the potential for a tourism boom, and the dynamic development of its economy and the increasing size of its middle class has created the consumer base for it. Facing this new

²⁶¹ Yearbook of China's Statistics Bureau, 2005 p.86 & *Comprehensive Statistical Data and Materials on 50 years of New China*, Compiled by Department of Comprehensive Statistics of National Bureau of Statistics, China Statistics Press, 1999, p.3 & p.22

²⁶² China Tourism Academy, 2009, *Annual Report of China Outbound Tourism Development 2006&2007*, China Tourism Press, pp.14-15

²⁶³ Chen Zhongshen, 1997, *The Situation, Trend and Affection Factors of Income Difference of China's Urban Citizen*, Economy Research 1997-03, pp.21-31 and p.39

²⁶⁴ China bank, www.pbc.gov.cn/detail-frame 2005-06-17

demand for outbound travel, the tourism policy would have had to change any way. Therefore, the development of China's economy stimulated the change of tourism policy.

4.3.2 The promotion of reform and the change in ideology

At the end of the last century, twenty years on from its beginnings in 1978, China's reform entered a new phase. The most visible change in the reform program was a shift in focus from politics to the economy. The speech of Deng Xiaoping in the spring 1992 during his southern tour is considered the jumping-off point for further reform. To some extent, this speech caused a revolution in the social ideology of China. Many years ago the influence of ideology on tourism was noted by Western scholars. Brown pointed out that 'the ideology as a significant factor should to be studied in tourism research. Ideologies are systems of belief about social and political issues that have strong effects in structuring and influencing thoughts, feelings and behavior'.²⁶⁵ Other have commented that 'undoubtedly, state and individual ideologies do influence the pattern of tourism development',²⁶⁶ and 'the research on tourism's political impacts needs to connect the substance of policy, i.e. the general focus on data, with the process of policy making including the relationship between power, structure and ideology'.²⁶⁷ The change of ideology in China was very important to the restructuring of the economy. Because of ideological liberalization, China started to free itself from the restrictions of the socialist economy and move toward market practices.²⁶⁸ Although China has not yet been recognized as a market economy by Western countries, the management of China's economy has greatly changed in recent years. Undeniably, the radical development of the economy and the change in economic policy are very closely connected with the ideological liberalization promoted in the southern tour speech of Deng Xiaoping.²⁶⁹

- **'Southern tour' speech of Deng Xiaoping and its effect**

It is often mentioned that China has been and still is a human-authority rather than law-authority country. Seen in this light, the personal words of the leader in China carry more weight than similar pronouncements by western leaders do in their countries. Usually, the individual speeches of the leader amount to official pronouncements of the government, and carry great authority. In his southern-tour speech Deng said 'ultimately, the reason why reform and opening up cannot take place or move ahead all boils down to the fear of what capitalism has been, rather than the fear of

²⁶⁵ Brown L.B., 1973, *Ideology*, Penguin, Harmondsworth

²⁶⁶ Hall, D.R., (eds.), 1991a, *Tourism and Economic Development in Eastern Europe and the Soviet Union*, Belhaven Press, London

²⁶⁷ Sabatier, P.A., 1991, *Public Policy: Toward better Theories of the Policy Process*, in W. Crotty (eds.), *Comparative Politics, Policy, and International Relations*, Northwestern University Press, Evanston, pp.265-291

²⁶⁸ Chen Zhanan, 2009, *Observation on China*, China Socialism Press, p.127

²⁶⁹ <http://cpc.people.com.cn>, 2007-06-18, access date, 2008-05-03

taking the capitalist road. The crucial point is concerns the terms ‘capitalism’ or ‘socialism’.²⁷⁰ The judgment criteria for socialism should be whether the community is conducive to the development of the socialist productive forces, whether it is conducive to strengthening the socialist state's overall national strength, and whether it is conducive to improving the people's standard of living.²⁷¹ According to this criterion, Deng Xiaoping pointed out that the essence of socialism is to emancipate and develop productive forces, eliminate exploitation and polarization, and eventually to achieve common prosperity.²⁷² The core of his speech was about the productivity of socialism. He clearly pointed out that the aim of socialism was to increase people's standard of living and developing productivity was the only method of completing that task. Given this social objective, he said the name of China's social and economic systems was not very important. On the contrary, in order to promote a growth in productivity and raise the level of Chinese life, the experiences of advanced capitalist countries could be imported into China.²⁷³ Historically, this speech was very important. His idea of socialism's nature removed the ideological restrictions of Chinese socialism and completely broke down the creed of socialistic productivity in China.²⁷⁴ This is why this speech is usually considered the turning point in China's ideology. It determined the direction of China for the next phase of reforms, which touched all aspects of China's society. It was further seen as the foundation for a move toward a market economy in China.²⁷⁵

From the first day of reform and openness, the problem of China's previously being labeled ‘socialist’ was a great obstacle to market practice. Many management reforms were resisted as being inconsistent with the national nature. Therefore, private enterprises and foreign-funded enterprises were greatly limited because of they were products of capitalist nations and belonged to market economies. As a socialism nation with a planned economy, China could not adopt them; otherwise, the ‘color’ of China would be changed. The southern-tour speech answered these general objections with the sentence ‘no controversy, boldly test, the development is most important’.²⁷⁶ In addition, Deng Xiaoping pointed out that both planned and market economies are merely means of economy development. ‘They could not define the essence of the distinction between socialism and capitalism.’ Therefore, ‘socialism can also practice a market economy’.²⁷⁷ Through the speech of his southern-tour (SOST) Deng Xiaoping defined his theory of a market economy of socialism. Under his guidance the important decision to build the socialist market economy was made at the 14th

²⁷⁰ *Selected Works of Deng Xiaoping Volume 3* (1982-1995), People Press, 1993, p.372

²⁷¹ *Selected Works of Deng Xiaoping Volume 3* (1982-1995), People Press, 1993, p.372

²⁷² *Selected Works of Deng Xiaoping Volume 3* (1982-1995), People Press, 1993, p.372

²⁷³ *Selected Works of Deng Xiaoping Volume 3* (1982-1995), People Press, 1993, p.372

²⁷⁴ *Selected Works of Deng Xiaoping Volume 3* (1982-1995), People Press, 1993, p.373

²⁷⁵ *Selected Works of Deng Xiaoping Volume 3* (1982-1995), People Press, 1993, p.372

²⁷⁶ *Selected Works of Deng Xiaoping Volume 3* (1982-1995), People Press, 1993, p.372

²⁷⁷ *Selected Works of Deng Xiaoping Volume 3* (1982-1995), People Press, 1993, p.373

Party Congress of the CCP in 1992.²⁷⁸ Since then ‘the format combining the plan and market’ has been the feature of China’s economy. Since then China has no longer been a purely socialist nation with a unitary plan system anymore. Although some principles of the planned economy still operate in some sectors through administrative means and some state-owned enterprises still constitute important monopolies, the rules of the market have been accepted in most industries.²⁷⁹ The market economy is certainly still in the process of development, and it has not matured completely as it has been in Western countries, but, the adaptation to it has already caused much change throughout China.

- **The influence of the ‘southern- tour’ speech on tourism policy**

In order to stimulate the economic revolution, Deng Xiaoping introduced the idea of Mind Liberation in his southern tour speech, saying that ‘socialism is not about poverty and poverty is not the socialism and to get rich is glorious.’²⁸⁰ After that, ‘Business Fever’ (Jing Shang Re) appeared in China and the concept of ‘Being rich is Glorious’ (Zhi Fu Guang Rong) has gradually been accepted by the Chinese. Impacted by this thought there is more and more business travel of China.²⁸¹ In actual fact this amounted to a second wave of business travel in China, the first having occurred after the Opium War. Tracing back the process of tourism development of China, the first wave of outbound tourism was caused by the upsurge in international business connections during the *Yangwu* movement. After the “southern-tour” speech the movement of the *Four Modernizations* started to adopt the experience of foreign countries. In many ways, the aim of the *Four Modernizations* is very similar to that of the *Yangwu* movement. Both focused on learning advanced technology from Western countries. Therefore, going abroad became the key to complete these goals. In this special environment business travel plays a more important role in China than in other countries. Obviously, the adjustment in tourism policy at the turn of the century was not only made with private tourists in mind, but for the business traveler also. The change in regulations concerning outbound travel was, in fact, primarily a response to the demand for international business communication.

The planned-economy played an important part in tourism policy because of fear of any change in the national feature of socialism before ‘Mind Liberation’. For instance, tourist quotas were a visible product of a planned economy. Travel agencies did not have the right to do the business they

²⁷⁸ Sun Zhongqin, 2009, *Economy Shift from Plan to Market*, China Community Press, p.76

²⁷⁹ Sun Zhongqin, 2009, p.76

²⁸⁰ *Selected Works of Deng Xiaoping Volume 3* (1982-1995), People Press, 1993, p.225. This is Deng Xiaoping’s talk with Premier Lubomir Strougal of the Czechoslovak Socialist Republic.

²⁸¹ Wang Yuan , 2003, *China Business Culture: strategies for success*, Longon Thorogood , p.81

could have done based on demand. Choy criticized this: concerns over the social and political impact of tourism in China indicate the extent to which international tourism intricately connected with foreign policy formulation and the fostering of ideologies. Even though China wants to develop tourism in a “Chinese Way”, in that the government’s experimenting with “capitalistic” ideas such as individual incentives, competition, and private enterprise are attempts to develop a system suitable for China’s situation but still maintain a socialist system’.²⁸²

The speech of Deng Xiaoping in the spring of 1992 solved the biggest dispute over the essence of socialism.²⁸³ Since his pronouncement, both planning and the market have been considered as a means of economic development for socialistic China.²⁸⁴ Plan and market have no longer been seen as respecting the distinction between socialism and capitalism. Once the ideological debate was over, the industrial management dropped its resistance and began to employ market method in every sector of the economy including tourism. From the publishing of the document ‘*Interim Measures for the Administration of the Overseas Tours at one’s Expenses of Chinese Citizens*’ in 1997, the objective of adjusting outbound tourism policy has been mainly to ease the restrictions on outbound travel and it indicated that the shadow of the order-plan was leaving tourism management, which was moving towards becoming a mature market business. Since then there have been three visible changes in China’s tourism policy. First, most Chinese, not just those with relatives in Hong Kong and Macao have been allowed to carry out overseas travel because of this new regulation; a change which showed that the Chinese government had started to pay attention to the social demand for outbound tourism. Second, the canceling of tourist quotas in the new regulation of 2002 indicates that the rule of the free market is more respected in China. Finally, the liberalization of many associated matters like vacation schedules, obtaining passports, and having access to foreign currency also shows clearly that the industry of outbound tourism is moving closer to the practiced in Western countries.

4.3.3 International forces

In recent years, the connection between tourism policies and international relationships has been recognized, so that tourism has become an important method to resolve the contradictions of international trade. As much an aspect of foreign policy, it is more evident in socialistic countries, where ‘the political ideology of the state will influence its foreign policy outlook, including those policies relating to the international tourism. The former socialist nations had very clear political

²⁸² Choy, Dexter J. L. 1983, ‘*Tourism in the PRC---Five Years after China Opens its Gates*’, International Journal of Tourism Management 1983-09

²⁸³ Wei Xiaolan and Zeng Bowei, 2009, p.3

²⁸⁴ Chen Zhanan, 2009, p.27

and economic objectives for international tourism which differed substantially from that of the West with its quite different notions of individual freedom and the role of the state'.²⁸⁵ Therefore, the tourism policy of China was impacted by international relationships and diplomatic considerations to a greater degree than in other countries. Along with the increase in political and economic links with foreign nations, China's outbound tourism policy had to be adjusted to cater for the demands of a new international position. Reviewing the history of Chinese international tourism, it can be seen that tourism policy was driven by political objectives before the reform, when inbound tourists were received mostly free of charge, but outbound tourists traveling at their own expense were mostly forbidden to travel. However, the economic nature of international tourism has been appreciated more along with the movement towards a market economy. As a result, the adjustment of tourism policy of China has reflected primarily economic objectives, as in other countries.

• Resolving trade surplus

Since the recovery of the tourism industry that began in 1978, foreign exchange has been the core element effecting China's tourism policy. Earning foreign exchange and increasing foreign currency reserves were the main reasons of the policy to greatly develop inbound tourism and suppress outbound tourism. Along with the development of China's economy, the situation of foreign exchange has changed completely since 1994, although the year of 1998 was exceptional, affected by the Asian financial storm. Figure 4-2 clearly shows that the accumulation of foreign exchange (FE) reserves was very fast at the end of last century and after the coming of the new century. There was an exponential increasing of the reserve of foreign exchange after 1994. This was why the leader of China's Bureau of Foreign Exchange drew emphatic attention to the surplus of trade in 2005, which was creating a foreign exchange mountain. Contrary to the situation in the last century, reducing the huge foreign exchange surplus became an important task in the new century. The management of foreign exchange has to be loosened gradually. In recent years, the main controversy between China and western countries has focused on the imbalance of trade and China's huge commercial surplus.²⁸⁶ Thus commercial concerns have replaced the political problems which dominated international relations during the Cold War. The continuous increase in China's Reserve of Foreign Exchange (RFE) clearly reflected the situation of China's trade surplus. The rapid increase of China's foreign exchange holdings was breathtaking after the 1990s, as shown in Figure 4-2 the amount in 2005 was twice that in 2003 and many times of the number in 1995. Consequently, many Western countries including the U.S.A. have been forced to appreciate the Chinese Yuan. China therefore faced the same problem that Japan faced in the 1970s and 80s when it had the highest of RFE. Facing this new situation the adjustment of tourism policy became a focal

²⁸⁵ Hall.C. Michael, 1994, *Tourism and Politics*, Wiley, Chichester, UK, p.79

²⁸⁶ Wei Xiaolan & Zeng Bowei, 2009, p.148

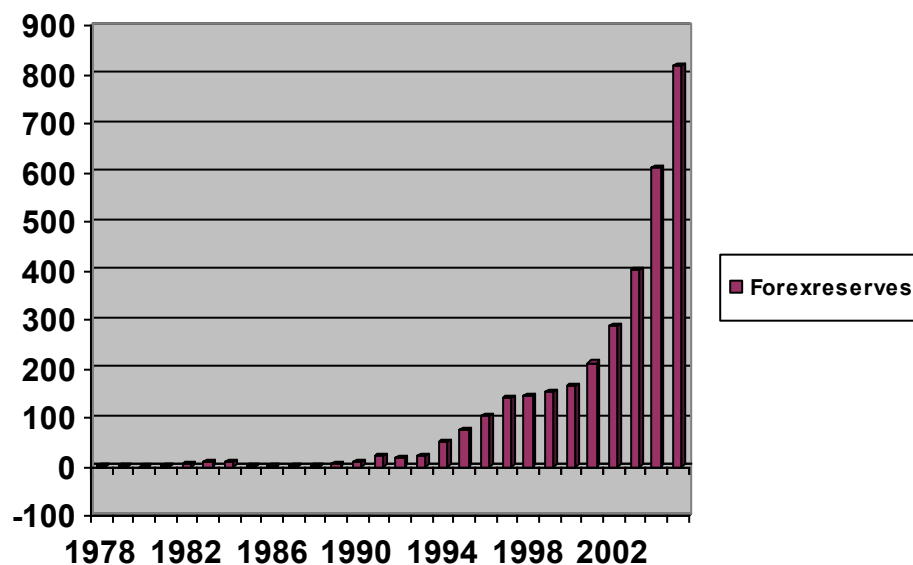
issue. In order to reduce the favorable imbalance of international trade and RFE holdings, the Japanese government encouraged citizens to travel overseas and adopted the 'Million Plan' to promote the development of outbound tourism.²⁸⁷ The wave of Japanese tourists in the last several decades helped to reduce the trade imbalance to some extent. Since then the level of outbound tourism has been and still is a highly valued method to reduce a commercial surplus. However, in China some people thought that the problem of RFE was not sufficiently urgent to relax the policy of outbound tourism and China could not be a second Japan. In their opinion, the task of saving foreign exchange was still more important than to developing China.²⁸⁸ However, the general viewpoint is that tourism policy should promote the development of outbound travel. In order to fit the new trade situation the government has to promote outbound tourism instead of rapidly appreciating the Chinese currency.²⁸⁹ That the rapid increase in the reserves of reserve of foreign exchange after 1996 was one of reasons to adjust tourism policy in China is clear.

²⁸⁷ Wei Xiaolan & Zeng Bowei, 2009, p.155

²⁸⁸ Zhang Guangrui, 2005, '*Sober Judgment on China's Outbound Tourism Boom-Argument for Future China's Outbound Tourism Policy*', Finance & Trade Economics 2005-07, Dai Xuefeng and Wu Ning, 2006, '*An Analysis of Negative Impact of the Rapid Growth of China's Outbound Trade*' Tourism Tribune 2006-02, pp.41-45

²⁸⁹ Zhang Lingyun, 2007, '*New Eyeshot of Tourism Research*', Tourism Tribune 2007-03, pp.9-12

Figure 4-2 The reserves of foreign exchange in China 1978-2003



Unit: billion American dollars

Data: www.livebaby.cn & <http://www.safe.gov.cn> 2006-07-05

• Joining the WTO forced China to open its tourism market

Joining the WTO (World Trade Organization) was a special matter of concerns in China by the end of the last century. This was once one of China's core aims in diplomacy. There were many issues related to market openness involved in the process to becoming a member of the WTO; for example, would China need to join this organization as a developed or developing country, and what trade should be protected from international competition and so on. Among the issues, service industries were the focus of intense discussions. In order to satisfy the requirements of the WTO, China accepted many compromises in negotiations with the U.S.A. and other western countries. To show the sincerity of its stated aim to open its market China accepted the eighth rule of the 'International Monetary Fund' in 1996 and promised to ease its controls over general activities. Outbound travel was included in this agreement. On February 23, 1993, vice-premier Wu Xueqian hosted the twelfth session of the national tourism enterprise committee, which approved the running of a pilot project on outbound tourism in principle in order to improve the national image and international position of the tourism industry and to gain active rights in the negotiation of the service trade agreement in the General Agreement on Tariffs and Trade.²⁹⁰In his speech at the national tourism development conference on January 8 2000, Qian Qichen mentioned that according to the commitment China

²⁹⁰ Wei Xiaoan & Zengbowei, 2009, p.150

made in the negotiation to enter the WTO, the country should an orderly push towards the opening of travel agencies- cancel restricted rules on using overseas capital and provide a policy guarantee. Furthermore, China should steadily implement a policy of going global in order to encourage competent enterprises to operate tourism businesses abroad, especially in destination countries for Chinese outbound tourists.²⁹¹

Given the background to it, it is understandable that in order to be an official member of WTO, the Chinese government loosened policy restraints as far as possible to show its determination to adopt a market economy at the end of last century. This is also an important reason why the Chinese government gradually relaxed the control of foreign exchange after 1997. The force of international agreements therefore made China's government adjust its national regulations. When China finally entered into WTO (World Trade Organization) at the end of 2001 it had to open its markets gradually. It can not be denied that joining the WTO had a strong influence on the service industries of China, especially in tourism. According to the regulation of fair competition of the WTO, the Chinese government could not continue to restrain the free business of outbound tourism by its own regulations. The international common agreement compels the tourism industry of China to be an open market. Many specialists have cited joining the WTO as double-edged sword, on the one hand it will bring some advantages from international trade to China by reciprocal agreements, but on the other hand some industries of China will be negatively impacted by equal competition.²⁹² China has to face inevitable competition from foreign countries and that means the policy of outbound tourism must be gradually relaxed in order to conform to the rule of the international agreement of WTO.²⁹³

To sum up, the social situation in China has changed dramatically since the 1990s with the penetration of the reforms signaled by the speech of Deng Xiaoping and China entered into a new period in which the economy received much impetus. The new economic situation created a better social environment for outbound tourism and a new demand for foreign business travel. Additionally, the increase in the foreign exchange reserves changed the task of the tourism industry, its objective no longer tied to the earning of foreign exchange. Finally, in order to join in the WTO the government of China had to demonstrate willingness to make some favorable policy change to foreign countries. As a consequence of all this, the change in tourism policy became an irreversible trend in the new social environment.

²⁹¹ CNTA & Institute of CCP Archive, 2005, *Comments of Leaders on Tourism (1978-2004)*, China Tourism Press & Institute of CCP Archive Press, p.140

²⁹² Research Center of Development of State Council, www.drcnet.com.cn, 2001-08-09, access date, 2006-10-2

²⁹³ Sun Yuqin, 2003, '*Prospective and Countermeasure of China's Outbound Tourism after Joining WTO*', Jiangxi Social Sciences 2003-04, pp.238-241

Chapter Summary: Policy and the Fast Development of Outbound Travel

The regulation '*Interim Measures for the Administration of the Overseas Tours at one's Expenses of Chinese Citizens*' of 1997 marks the official beginning of outbound tourism at tourists' own expenses in China, and it also marks the formation of a Chinese outbound tourism market. Since then, the basic business pattern of Chinese travel agencies has been established consisting of three major parts: domestic tourism, inbound tourism and outbound tourism. Because of long time inhibiting from outbound travel at private payments and along with economic development and change in the concept of consuming, outbound tourism soon became the new central attraction in China,²⁹⁴ so that the industry of outbound travel underwent huge development consequently. However, because there were many serious problems in the practice of outbound tourism, the government made a timely adjustment to the policy in 2002 by issuing the new regulation '*Measures for the Administration of the Overseas Tours of Chinese Citizens*'. Due to the replacement of the above two regulations, the interpretation of **reasonably developing outbound tourism** has been substantially changed in a very short time and the great revolution of outbound travel happened as a result. That is why it is always said that outbound tourism in China 'develops very quickly, although it starts late'.²⁹⁵

²⁹⁴ Wei Xiaolan & Zeng Bowei, 2009, p.147

²⁹⁵ He Guangwei, *50 Years of Tourism Industry in China*, China Tourism House, 1999, p.2

Chapter 5 The New Policy on Outbound Tourism 2005-2008

According to official review, Chinese tourism was prepared to take off during the tenth five-year plan (2001-2005),²⁹⁶ and when the eleventh five-year plan came, China tourism really started to take off and enter a new stage of rapid development and expansion.²⁹⁷ What adjustments were made to tourism policies, and what was/is their influence on its development after this ten-year transitional period? It will be instructive to study these questions in order to understand policy and development, and even the future trends of Chinese outbound tourism.

5.1 The New International Environment of Globalization

In the twenty-first new century the world continues to undergo dramatic change. ‘The world economy is becoming more competitive, more global, and increasingly dominated by information and communications technology’.²⁹⁸ Globalization ‘has become a term that everybody talks about without a true agreement on what it means and how it could influence tourism in the world. Although the concept of globalization is broadly used in academic and professional literature, its exact definition, its measurement and its effects are far from being clear’.²⁹⁹ Globalization is sometimes used interchangeably with internationalization, although both the definitions and the differences between the two terms are unclear. According to Knight’s assertion “Globalization can be thought of as the catalyst while internationalization is the response, albeit in a proactive way”.³⁰⁰ In addition, Levin regards internationalization as one set of behaviors influenced by the globalization process. These processes include not only political and economic but also social and cultural globalization as well. On the basis of these assertions, globalization refers to no single or simple phenomenon, but to a world system incorporated with multi-phenomena such as political, economic, social, cultural, and technological forces.³⁰¹ On the other hand, internationalization may

²⁹⁶ CNTA (eds.), 2008, *Eleventh Five-Years Plan of China Tourism*, China Tourism Press, p.7

²⁹⁷ CNTA (eds.), 2008, *Eleventh Five-Years Plan of China Tourism*, China Tourism Press, p.7

²⁹⁸ Drucker. P 1993, *Post Capitalist Society*, New York: Harper Business

²⁹⁹ Salah Wahab and Chris Cooper 2001, *Tourism, Globalisation and the competitive advantage of nations* in Salah Wahab and Chris Cooper (eds.): *Tourism in the Age of Globalisation*, p.19

³⁰⁰ Knight Jane, 1997, ‘*Internationalization of Higher Education: A Conceptual Framework*’ in Jane Knight and Hans de Wit (Eds.): ‘*Internationalization of Higher Education in Asia Pacific Countries*’, Amsterdam: European Association for International Education, P.6

³⁰¹ Levin, J. S. 2001, *Public Policy, Community Colleges and the Path to Globalization*, Higher Education 42(2), pp.237-261

be understood as a response to the impact of globalization or a set of behaviors influenced by the globalization processes.³⁰²

As Porter noted, 'Competitive advantage is created and sustained through a highly localized process. Differences in national economic structures, values, cultures, institutions and histories contribute profoundly to competitive process.'³⁰³ This view is reinforced in the socio-political field where some writers observed 'as power moves upwards from the nation-state toward international units (global firms)... so there is a countervailing pressure, whose roots are various, for it to move downwards. There is a new search for identity and difference in the face of impersonal global forces, which is leading to the emergence of new motional and ethnic demands.'³⁰⁴ Michael Hall further puts it: 'tourism is a part of the search for identity and a desire for economic positioning in contemporary globalization', and 'because tourism helps in promoting and developing geographical entities, it is of particular significance for third world countries which are in greater need of enhancing their socio-economic and political wealth to earn and upgrade in international relations. The instrumental reasoning of today's new global capitalism and its "social imaginary" provide not only the initial impetus for sound tourism development but also sets the trajectory.' In addition, 'the tourism, as a new force of competitive advantage between nations, is an effective way of bridging the gap between globalization and localization particularly in culture. This would be the way to reach a full recognition of the context in which tourism operates and the complex network of relationships, connections and interfaces between various differences in socio-cultural and economic systems between generators and destinations in this new globalized world'.³⁰⁵

5.2 New Opportunities for Outbound Tourism Facing the Globalization

According to the US Census Bureau 'World POP Projection', the world's current population is over 6.5 billion (accessed in January 2007). The five most populous countries-China, India, the United States, Indonesia and Brazil –account for almost half of the world's population. If the economies of these five countries alone improve, as the estimates infer, global tourism will grow'.³⁰⁶ With the coming of the new century, 'internationalization' became a matter for every industry in China. The policy of open-door had started the process of internationalization of China from the end of 1970s onwards actually. After more than twenty years, driven by the development and change of

³⁰² Knight 1997, p.7

³⁰³ Porter, M 1990, *The competitive Advantage of Nations*, Hampshire and Lodon: Macmillan

³⁰⁴ Jaquers, M 1989, 'Britian and Europe' in S. Hall and M. Jaques (ed): New Times, *The changing Face of Politics in the 1990s*, London: Lawrence and Wishart

³⁰⁵ Hall, M 1996, 'Globalisation and tourism, connecting and contextualizing culture, environment, economy and place' in *Globalisatin and Tourism*, Editions AIEST, Swizeland: StGallen

³⁰⁶ David L. Edgell, Sr, Maria Delmastro Allen, Ginger Smith, Jason R.Swanson, 2008, p.330

the social situation, especially joining the WTO, the pace and impact of Chinese internationalization has rapidly accelerated.

5.2.1 The increase in business travel and “official inspections”

Clearly, the open-door policy from 1978 was aimed to connect China with foreign countries in order to obtain advanced technology and the management experience of developed countries. From this prospective, the consciousness of internationalization arose in China that was earlier in new wave of globalization. Driven by subjective efforts and objective promotions, the development of the internationalization of China has been very dramatic since 1978. From the government to enterprises, most people think the internationalization represents an opportunity for China. In these years, the phrase ‘going on the international track’ has become popular throughout the country, which illustrates that the social status of outbound communication has been improved. In the new century, against the background of globalization, reforms in all industries center on how to proceed in a globalized world. ‘On the international track’ is a more straightforward expression to cope with the internationalization. In this social situation, because it promotes international intercourse and creates international ties the international tourism has been given a prominent position. China’s economic development during the past thirty years has demonstrated that the open-door policy has been very successful. From its trade with other countries China has gotten great benefits which have been seen as a ‘miracle’ by the rest of world. It is certain that the open-door policy of China will be continued. Assuming that it is, the trend towards internationalization should strengthen in this new century. Therefore, the industry of outbound tourism is being stimulated by the new environment of internationalization. Along with continued economic development and international intercourse, the demand for overseas travel is constantly increasing and the market for overseas travel should be consequently greater.³⁰⁷ At the end of the last century Chinese tourists burst onto the stage of international tourism. Business travel accounted for large proportion of outbound journeys, but much of this was so-called disguised business travel. In recent years, official inspection trips paid for out of public funds have been regular occurrences within the government of China.³⁰⁸ This secret was discovered when a travel scandal occurred in 2006, when a journey had been made under the guise of an official inspection trip. Ten officials of the Supreme Procurator Department of Anhui Province were going to travel in Finland and other European countries. Because of a spurious invitation, the group was refused entrance and sent back to China. Subsequent criticism in the Chinese media disclosed the widespread practice of public-funded travel abroad by the government. In the discussions about this scandal, relevant internal documents regarding official inspection were

³⁰⁷ Zhang Shanqi and He Jiamei, 2005, ‘*Analysis on Development and Reason of China’s Outbound Tourism*’, Journal of Guilin Institute of Tourism 2005-12, pp.61-64

³⁰⁸ Wang Shiwei, 2007, pp.172

discovered. "Officials at provincial and ministerial levels can visit abroad two times each year; the local officials can visit foreign countries once each year."³⁰⁹ The initial purpose of this document is probably to control travel of government officials abroad; but because of the lack of the necessary monitoring, the system has been used by officials to gain special privileges, all on a legal basis. Protected by such regulations, disguised official journeys made and paid for with public funds have been legally permitted. In recent years, inspection trips and training abroad became very popular in China. It is estimated that China's annual consumption of business travel costs more than 300 billion Chinese Yuan in public funds, more than military expenditure of China.³¹⁰ Though this sort of phenomenon is not necessarily typical of business trips abroad, it shows that official international travel has developed its own momentum and needs to further attention. Facing this environment of internationalization, in which contacts between China and foreign countries have been continually increasing for various reasons, international business travel has been shown to have a great potential in the travel market. How to develop it in order to avoid scandals such as noted above is a new project, but also an opportunity for Chinese official outbound travel.

5.2.2 The expansion of leisure travel abroad

Nowadays, 'leisure travel is no longer considered a luxury, but has become a major priority in a household's expenditure. It is often more important than material goods like new televisions, washing machines, or cars...' ³¹¹ This phenomenon was unimaginable in China some years ago. Along with the fast development of the economy Chinese living-standards have improved rapidly. Most forecasts project that the average Chinese income should be more than \$1500 in 2010.³¹² A report on the work of government in 2007 mentioned the word "leisure", and it proposed that 'we should vigorously develop leisure industries such as tourism, culture, recreation exercise etc, to expand civil consumption. This is a signal that the leisure industry is now of interest to the central government'.³¹³

In addition to this, the Ministry of Labor and Social Security of China published a wage research report which showed that the income gap among domestic residents has seen a sharp increase since 2003, and has now reached the "yellow light" alert level; in the next five years, if no effective measures are taken, it will deteriorate to the "red light" (dangerous) level. According to statistics

³⁰⁹ www.sina.com.cn 2007-08-08, access date, 2009-06-21

³¹⁰ Lei Yusheng, 2006, 'The Glory and Shame of Business Travel', Tongzhou Gongjin, CPPCC of Guangdong Province, 2006-05, pp.19-21

³¹¹ Tourism Policy in OECD countries, p.19

³¹² Project group, 2002, 'Analyzing of the Character of Consumer of Chinese Tourist', Journal of Beijing Second Foreign Language University, 2002-06, pp.1-7

³¹³ Wei Xiaolan & Zengbowei, 2009, p.67

20% of Chinese are living belong the poverty and their consumption only is 4.7% of total income. In converse, 20% of population holds over 50% of the income and consumption.³¹⁴ This data showed that a section of the Chinese population is very rich with incomes much higher than the average. Although the government is determined on reducing the gap between rich and poor, a middle class with substantial private property has been continually increasing in size in China. Early in 2001, the center of China's information pointed out that there will be 200 million people in China's middle class in the coming five years, and those people with their own house and car would spend on the tourism.³¹⁵ Moreover, the leisure interests of the middle class are likely to gradually move from domestic travel to tourism abroad and to provide great impetus to the development of Chinese outbound tourism. After many years of boom in domestic travel, a greater explosion of outbound travel will probably follow, similar to that predicted for domestic tourism.³¹⁶ Because of the continuing rapid increase in the number of Chinese tourists during the past several years, China has been predicated to be one of the biggest tourist countries in the twenty-first century. Andy Xie who is the chief economist for Morgan Stanley in Asia, noted in his report 'if you have not seen Chinese tourists, your shop should be ready and they will be bring benefits for 50 years into the future. Even the WTO prognosticated that 'Chinese outbound tourists would be 100 million and take 6.2% of market share in 2020. China would be the fourth tourist-country following Germany, Japan and the U.S.A.'³¹⁷ Most scholars, whether Chinese or western think that Chinese outbound tourism has been and will continue to be one of the biggest business opportunities in the world. In their opinion the force of globalization is an accelerator that will stimulate the development of the outbound tourism industry in China. In their eyes, outbound tourism is very important, and they asserted that it is necessary for the renewal process in China.³¹⁸

- **A continuous wave of studying abroad**

According to some analysts, studying abroad should not be included in an analysis of tourism. However, there is a close relationship between study and tourism. Historically, it is difficult to determine whether outbound travel causes an interest in studying abroad or studying abroad stimulates the desire for outbound travel. After the Opium War, each wave of Chinese outbound travel included a contribution from people studying abroad. Especially in that period when there was no private overseas travel at private expense, studying abroad was one of most important ways to visit countries outside China. Since the open-door policy the demand to learn from western

³¹⁴ China bank, www.pbc.gov.cn/detail-frame.2005.06.17, access date 2007-09-10

³¹⁵ Zhonghua Daily, 2001.08.24

³¹⁶ CNTA (eds.), 2008, *Eleventh Five-Years Plan of China Tourism*, China Tourism Press

³¹⁷ WTO, 1997 and Xu Zhenxiao, 2002, 'An Analysis of the Inefficiency of China's Outbound Travel Market and Some countermeasures', Tourism Science 2002-01, pp.43-46

³¹⁸ Li Huan, 2004, 'A Rethinking on the Great Upsurge in Outbound Travel'. East China Economic Management 2004-06, pp.161-163

countries has been greatly stimulated and the number of students abroad has increased quickly since 1978 in China. Though China's own education system has improved very much in the past thirty years, the chance to study abroad is still very much sought after. There are two reasons to push on with development of studying abroad in this century. One is that China now is an important part of the global economy; so that, knowledge of international matters and learning about advanced western technology need to be given a higher priority. Whereas, studying abroad occurred largely through individual initiative before, it has now become a national task. A second reason is that many students who studied in foreign countries are entrusted with important posts after they come back, which sets a good examples. In recent years, there have been twenty-five national ministers and twenty-three provincial leaders with the experience of studying abroad. (see Table 5-1) Unquestionably, these successful models encourage more young people to go abroad nowadays. According to statistics, there are 460,000 Chinese students in 103 different countries currently. China has been the biggest student resource for the U.S.A.³¹⁹ In addition to the increasing number of students studying abroad at their own expense, many officials and teachers are being sent to train abroad using national funds. Studying abroad has expanded broadly. Along with the increase in the number of students abroad, more and more Chinese faces are being seen everywhere in the world, although their motives are not always transparent.

Table 5-1 Members of the Chinese leadership who had studied abroad in 2005

Level of official	Total number of officials	Number of official who had studied abroad	The percentage of official who had studied abroad
Ministry	184	25	13.6%
Province	397	23	5.8%
Total	581	48	8.2%

Source: Chen Li, *Status and Characteristics of Foreign-Educated Returnees in the Chinese Leadership*, China Leadership Monitor, No 16. P4

5.2.3 The appreciation of RMB and mass outbound travel

Many years ago, the impact of exchange rate on the tourism was recognized. It is said that a change of exchange rate is a determining factor for the relative cost of the international tourism industry,

³¹⁹ Wu Jinqiu, 2006, *Trend of Chinese Overseas Study*, Guangdong Press, p.40

and thus it also determines distribution and change in tourist flow.³²⁰ Because of its economic development China's trade surplus has continually increased in past years. Therefore, international pressure for an appreciation of Chinese Yuan is continually increasing. After the coming of the twenty-first century the pressure became stronger. In 2005, the Organization of Economic Cooperation and Development published a report which indicated that China's economy will continue to grow rapidly and should establish a more flexible exchange rate system. At the G7 meeting in 2005 many countries emphasized that 'the exchange rate of RMB must be flexible'.³²¹ Although China government disapproved of the change in RMB exchange rate because they were worried by China's competitiveness,³²² China's currency policy has been changed to some extent. On July 21, 2005, the Chinese government announced the appreciation of RMB by two percent; and since then the process of appreciation of RMB to the US dollar has continued. Clearly, the appreciation of RMB means that the cost of outbound travel will decline, and the number of outbound tourist should therefore increase.³²³

³²⁰ Luo Jiezheng and Wu Hualin (Trans), 1989, Tourism Education Press, *International Tourism Economy and Policy*, Francois Vellas, *Economie Et Politique du Tourisme International*, Economica, 1984, p.43

³²¹ Shen Yao, 2008, *Trade Friction of China and Other countries under Globalization*, Shang Hai People's Press, p.5

³²² Miao Yingchun, 2009, *On Sino-U.S Economic and Trade Friction*, Wuhan University Press, p.55

³²³ Miao Yingchun, 2009, p.55

5.3 The New Tourism Strategy and the New Policy of Outbound Tourism

5.3.1 A new understanding of tourism

After the rebuilding and innovation of more than thirty years Chinese tourism has made such great strides that national tourism revenue was up to 768 600 million Chinese Yuan in 2005, which accounts for 4.2% of GDP, while 4.45 million people were employed in the tourism industry, which is 5.2 % of the Chinese workforce.³²⁴ As a pillar industry, tourism has been entrusted with the important task of stimulating economic development. Moreover, in the new era, the Chinese government recognized that the tourism has a new function to satisfy people's demands for more first-hand knowledge of the world, and so in the 'eleventh five-years plan of tourism' becoming 'people oriented' became the top requirement of tourism development, thus emphasizing that the service of tourism should be responding to public demand.³²⁵

Based on the change of understanding about tourism, attention has been given to functions of outbound tourism other than assisting the economy. In particular, it is very important to 'balance international trade', to promote the international communication between tourists-generating counties and the receiving nations, and also to promote the national image which increases the country's standing in international negotiations. In 2004, Vice-premier Wu Yi declared that China's tourism would be opened further and the number of ADS increased. Both measures favor of the further growth of outbound tourism... The development of outbound travel not only serves public demand, but can help China's diplomatic efforts as well.³²⁶ It is obvious that the signing of ADS agreement has been an important part of diplomatic activities when national leaders visit other countries as our national present. Outbound tourism has been the tool of national diplomacy from since its early folk connection.³²⁷

5.3.2 The new strategy of building a great tourism nation

In 2003, at the tourism conference Vice-premier Qian mentioned that 'our country has experienced a great shift from a major country with rich tourism resources to becoming a major Asian tourism nation, and is heading towards becoming the great tourism nation and China will try to be the

³²⁴ CNTA (eds.), 2008, *Eleventh Five-Years Plan of China Tourism*, China Tourism Press, p.7

³²⁵ CNTA (eds.), 2008, *Eleventh Five-Years Plan of China Tourism*, China Tourism Press, p.37

³²⁶ CNTA & Institute of CCP Archive, 2005, P.205

³²⁷ Wei Xiaolan & Zengbowei, 2009, p.32

leading tourist-receiving country before 2020'.³²⁸ From his speeches, it can be seen that the initial aim in building the great tourism nation was to develop inbound tourism and increase the number of people coming into the country, while outbound tourism was excluded from this strategy. However, the concept of the 'great tourism nation' later changed with domestic and outbound tourism being added after continuous discussion in academic circles. In particular, it has been pointed out that 'any great tourism nation in the world should be both a great destination with great sustainable attraction resources and at least a regional important tourists-generation country.'³²⁹ Thus, both inbound tourism and outbound tourism should be included in the strategy to build the great tourism nation. In this opinion, as an important precondition the industry of outbound tourism should be developed as in western great tourism nations. But, there is a great gap between outbound tourism in China and that in those countries. For example, in 2002, the rate of outbound travel was 11% in U.S, 29% in France and 43% in Italy, while it only is 1% in China.³³⁰ This visible difference indicates that there is long distance to go become a great tourism nation and the policy on outbound tourism should be relaxed further in order to realize the aim of the new tourism strategy.

5.3.3 The new policy of outbound tourism

In autumn 2005, to convey the strategy of constructing a great tourism nation and plan the eleventh Five-year plan of tourism development, a national tourism conference was held by CNTA.³³¹ General director of CNTA Shao Qiwei pointed out in his speech that according to domestic and national trends in the tourism market the strategy of developing three markets would aim to '**greatly develop inbound tourism, standardly develop outbound tourism and all-roundly improve domestic tourism**'. The purpose of these adjustments was to adapt to changes in the market, to show the direction of tourism development, to explore the international and domestic market and resources and to promote integrated development.³³²

He also interpreted the new policy in the following part of his speech 'to greatly develop inbound tourism' emphasizes that inbound tourism is still the focus of the national tourism industry. We should strengthen and improve the marketing of the national tourism image and provide a public service of high quality for society and industry, and we should push integrated development of the market image and enterprises' promotional activities to increase market effort. To 'standardly

³²⁸ CNTA & Institute of CCP Archive, 2005, P.190

³²⁹ CNTA (eds.), 2008, *Eleventh Five-Years Plan of China Tourism*, China Tourism Press, P.198

³³⁰ CNTA, <http://www.cnta.gov.cn/html/2008-6/2008-6-2-21-16-32-69.html>, access date, 2010-6-17

³³¹ Shao Qiwei, http://www.anshan-tour.cn/hh_sql_news/article_Show.asp?ArticleID=8503, 2005-8-31, access date, 2010-5-20

³³² Shao Qiwei, http://www.anshan-tour.cn/hh_sql_news/article_Show.asp?ArticleID=8503, 2005-8-31, access date, 2010-5-20

develop outbound tourism', China should continue to expand the number of destination countries open to Chinese citizens and establish channels of communication and cooperation. Meanwhile emergency response and control measures for outbound tourism market should be examined, as well as departure tax and the method to control the gate of outbound tourism at special occasion should be studied.³³³

Inbound tourism still took the priority in the new slogans, but the biggest change was that outbound tourism had taken in the second place in front of domestic tourism. For this reason, it is said that a new upsurge in outbound tourism will come soon and that the regulations for outbound tourism is being further loosened directed by this new tourism strategy. The overseas travel market is entering a prosperous period.³³⁴ According to some scholars, this policy adjustment has great significance for outbound tourism. Firstly, against this new policy Chinese outbound tourism experienced great change from the increasing rate in tourist number and to the rapid speed in expanding destination, which was rare in the history of tourism in the world. China has become the biggest customer country in Asia in recent years, and outbound tourism is no longer unattainable for the public anymore. Secondly, it means that outbound tourism is free from the last vestiges of the planned economy. Outbound tourism policy has changed in character from *planned and restricted* to *no restraint* and from *quota administration* and *gross control* to *market demand oriented*. Thirdly it marks the integration of China into the global outbound tourism market according to economic laws and legislation. As to outbound tourism policy, it adopted a *no promoting* and *no restricting* policy just like most of other countries. Meanwhile, China needs to guide the interaction between market and industry and improve the competitive edge of China's national tourism enterprises by development of outbound tourism.³³⁵

5.3.4 Different opinions of the most recent tourism policy

Although general director Shao Qiwei has given a detailed interpretation of the new policy in his speech, the connotations of '**standardly**' in the new policy are still interpreted in different ways. This is probably a result of different understandings of the sentence 'presetting the control gate of outbound tourism'(see the end of the second paragraph in 5.3.3) Most scholars think that the idea of **standardly** developing the outbound tourism in the new policy is to regulate the outbound tourism market in order to improve the service quality of outbound tourism.³³⁶ Others have pointed

³³³ Shao Qiwei, http://www.anshan-tour.cn/hh_sql_news/article_Show.asp?ArticleID=8503, 2005-8-31, access date, 2010-5-20

³³⁴ Wang Xiaoli and Wang Xuefeng, 2006, '*An Analysis on the Change of Tourism Policy in China*', Market Modernization 2006-12, pp.215-216

³³⁵ Wei Xiaoan & Zeng Bowei, 2009, P.152

³³⁶ Wang Xiaoli and Wang Xuefeng, 2006, pp.215-216

out that the market of outbound tourism has developed too fast in the past, so the new policy of outbound tourism has to return to restricting the rapid development of outbound travel.³³⁷ Leaving aside these conflicting viewpoints, Mr. Zhang himself has given an eclectic opinion. In his discussion, he has suggested that the policy of outbound tourism should be relaxed in the new environment. However, the focus of tourism development will continue to be on the market of inbound and domestic tourism.³³⁸

- **Optimistic viewpoint and the arguments**

The common viewpoint of the most recent newest tourism policy in the Chinese academy is that ‘**standardly**’ is not aimed to limit and encourage the development of outbound tourism and the industry has been in the best possible environment since then. This argument is made on the basis of the new demand and advantages the industry of outbound tourism is facing in new century. On one hand, internal demand for outbound travel in the new century is likely to continue to be strong due to the increasing of international contacts and to some extent, an inevitable result of economic development.³³⁹ In the last century, because of the implementation of the open-door policy, China attracted a large number of foreign tourists and inbound tourism developed rapidly. However, because of its weak economy and other reasons, overseas travel was not encouraged for quite a long time and the share of outbound tourism was very small in the tourism market. However, in the new situation, the goal of building a great tourism country will not be completed without a revolution in outbound travel. As yet outbound tourism activities have not reached the average international level. The explosion outbound travel in past several years was the result of the removal of long-term restrictions, which means that the market of outbound tourism has developed prematurely. Furthermore, normal outbound tourism consumption will not affect the Chinese economy.³⁴⁰ Undoubtedly, along with the extensive development of the open-door policy, the tourism industry should be opened widely. Compared to its previous situation, in recent years the outbound tourism of China is undergoing great changes presently. Because of economic development and the progress of internationalization, the demands and the motivations for outbound travel are much stronger than before.³⁴¹ Moreover, outside pressures are further forcing China to open its market further. Not only the requirements of the WTO Agreement require China to provide an unrestricted environment for

³³⁷ Dai Xuefeng and Wu Ning, 2006, ‘*An Analysis of Negative Impact of the Rapid Growth of China’s Outbound Trade*’ Tourism Tribune 2006-02, pp.41-45

³³⁸ Zhang Guangrui, 2006, ‘*Outbound Tourism: the Income and Issue of Treasure*’, www.casstourism.com 2006-08-04, access date, 2006-09-09

³³⁹ Yang Jun, 2006, ‘*An Analysis of “overgrowth and over-consumption” in China’s Outbound Travel and Policy Orientation*’, Tourism Tribune 2006-06, pp.65-68

³⁴⁰ Wang Xiaoli and Wang Xuefeng, 2006, ‘*An Analysis on the Change of Tourism Policy in China*’, Market Modernization 2006-12, pp.215-216

³⁴¹ Wang & Wang, 2006, p.215

tourism, but the imbalance of international trade also compels China to open the gate of overseas travel.³⁴² According to this analysis, restrictive policies on outbound tourism would be inapposite. Therefore, the meaning of ‘**standardly**’ can not be to restrict the development of outbound tourism, but to relax the controls over the industry of outbound tourism.³⁴³ In this point of view, the **standardly develop outbound tourism** policy refers to developing outbound tourism according to the conventions of a market economy while legislation provides a code of conduct.

- **Pessimistic opinions and the worries of the tourism industry**

As well as the optimistic opinions, there is a contrasting pessimistic viewpoint. According to their opinion, the meaning of **standardly** in new policy is similar to the use of **reasonably** in former guidelines.³⁴⁴ They think that outbound tourism should not be a major part of tourism market, because China is still a developing country. In turning from an export-oriented economy to a domestic demand- oriented the government’s requirement for tourism also has changed objectively. The government’s demand for foreign exchange has weakened, but structural demand becomes stronger and stronger, and a long-term national policy that requires an expansion of domestic demand must be reflected in tourism development. Encouraging outbound tourism development will transfer consumption from the domestic economy to foreign destination countries’ economies, which goes against the national policy of expanding domestic demand.³⁴⁵ Besides, they argue that ‘the industry of outbound tourism has already developed excessively in China. The number of outbound tourists with 10.47 million in 2002 was more than the national plan required. And this excessive development has caused two serious problems: one of these is the imbalance in tourism market. During the period of the ninth Five-year plan the average rate of increase of outbound tourists was about 22.9%, considerably, more than 9.96% rate of increase rate of inbound tourists.³⁴⁶ If there were no limit in the policy the number of outbound tourists will be treble that of inbound tourists in 2015.³⁴⁷ Another is that the excessive development of outbound tourism caused the foreign exchange problem. In 2004, the income from inbound tourism was about \$26 billion; but the expenditure of outbound tourist was closely to \$40 billion. Given a situation in which the economy is developing they think that the industry of outbound tourism has been developed

³⁴² Yang Jun, 2006, ‘*An Analysis of “overgrowth and over-consumption” in China’s Outbound Travel and Policy Orientation*’, Tourism Tribune 2006-06, pp.65-68

³⁴³ Yang, 2006, p.66

³⁴⁴ Dai Xuefeng & Wu Ning, 2006, ‘*An Analysis of Negative Impact of the Rapid Growth of China’s Outbound Trade*’, Tourism Tribune 2006-02, pp.41-45

³⁴⁵ Dai Xuefeng & Wu Ning, 2006, ‘*An Analysis of Negative Impact of the Rapid Growth of China’s Outbound Trade*’ Tourism Tribune 2006-02, pp.41-45

³⁴⁶ Dai Xuefeng, 2004, *Development Report of Service Industry*, Press of Literature of Social Science

³⁴⁷ Dai Xuefeng and Wu Ning, 2006, ‘*An Analysis of Negative Impact of the Rapid Growth of China’s Outbound Trade*’ Tourism Tribune 2006-02, pp.41-45

excessively and this trend calls for a policy of restriction which would protect the national tourism industry.³⁴⁸

- **Eclectic opinion and the new focus of tourism policy**

The Chinese professor Zhang Guangrui has presented an eclectic viewpoint on recent development and the policy of outbound tourism that differs from both the above viewpoints. Having conducted a careful analysis of outbound tourists and outbound expenditure he has emphasized that the development of outbound tourism is actually only beginning, so the development of outbound tourism is not excessive and can not harm the national economy. At same time, he does not agree with that the industry of outbound tourism should be largely developed.³⁴⁹ In his opinion international tourism is a form of international trade; although it only involves the flow of tourists between different countries. Therefore, the policy of open-door is a key factor in the development of international tourism. The development of outbound travel not only reflects the extent of an openness policy, but outbound travel also indicates the economic strength of a country.

Given of the huge trade surpluses, foreign exchange need no longer be a critical task of inbound tourism anymore, but the surplus does create strong pressure to stimulate outbound tourism. In this new environment, the structure of the tourism industry of China is certainly changed. Domestic and outbound travel has caught up with inbound tourism. In the new position of the tourism industry, the direction that the government policy will take is a focus of research and is the decisive factor that will impact the outbound tourism industry. Tourism policy could ease the development of overseas travel according to the foreign exchange situation. In addition, Zhang mentioned that in new century 'Chinese Visitor' has replaced 'Visit China' as a 'hot expression' in the World. It shows that the development of outbound tourism is inevitable trend and it can not be blocked by policy adjustment anymore. However, policy can harmonize the development of the three tourism markets according to the political and economic situation. First of all, outbound tourism should not be given priority over that of inbound tourism. Although the rate of increase of overseas tourists is greater than that of inbound tourists, the government is insisting on the development of inbound tourism. As a developing country, China should not promote outbound tourism as actively as developed countries like Japan and South Korea. Therefore, it is impossible for a 'million plan' occurs in China. In order to resolve the problem of huge foreign exchange reserves, temporary priority could be given to outbound tourism; but protecting the development of inbound tourism

³⁴⁸ Dai Xuefeng and Wu Ning, 2006, pp.41-45

³⁴⁹ Zhang Guangrui, 2006, 'Outbound Tourism: the Income and Issue of Treasure', www.casstourism.com 2006-08-04, access date, 2006-09-09

should be a permanent policy. Second, the industry of domestic travel should receive more attention in the future. Based on the high public demand for travel by citizens, the government hopes to attract the consumption of tourists to domestic markets. Therefore, the industry of domestic travel should be heavily promoted in China. Finally, compared to inbound and domestic travel, the perspective on outbound tourism should not be as optimistic as many people suspect, even it is likely to experience a sustained period of development. Outbound tourism should not be given priority, but nor should it be restricted with the rule of policy any more. The prospects for overseas travel will remain strong as long as market demand continues to rise.³⁵⁰ Wei Xiaolan has the same opinion as Zhang Guanrui in that although the rapid development of Chinese tourism is an inexorable trend, no country will should adopt a policy that actively promotes outbound tourism, unless it is necessary at some specific time or in a given situation, such as to reduce the huge favorable trade balance. Thus the core of **standardly develop outbound tourism** policy should be not encourage the development of outbound tourism and nor should suppress it.³⁵¹

To sum up, along with the coming of new century, the industry of outbound tourism in China has entered into a new environment. Internalization has caused a new wave of international connecting. In particular, after the fast development of the economy in recent decades Chinese living-standards have improved a lot. A middle class has emerged and its demand for travel abroad is very strong. The internal demand for overseas tourism is continually increasing in China, in all it forms from leisure travel to study abroad in China. The development of foreign travel is inevitable and demand for it calls for a relaxation in policy.³⁵² Additionally, the pressure of globalization forces China to open up further. Influenced by the international marketplace, the market-economy system in China is beginning to mature and the management of tourism industry can no longer be controlled by the restrictions imposed by the government. Driven by internal motives and external pressures, the tourism policy of China has to be adjusted towards a positive direction in this new environment. However, as a developing country the market of outbound travel cannot immediately be opened completely. In order to protect its own weak tourism industry Chinese national policy should retain some limitations on the management of outbound tourism. In other word, the new policy cannot go back to restricting the development of outbound travel, but the market of outbound tourism cannot be opened totally either. 'Harmonize' is the key concept of the new policy instead of 'control'.³⁵³ This nature has been confirmed in the speech of the head of the Chinese National Tourism

³⁵⁰ Zhang Guangrui, 2006, 'Outbound Tourism: the Income and Issue of Treasure', www.casstourism.com 2006-08-04, access date, 2006-12-14

³⁵¹ Wei Xiaolan & Zeng Bowei, 2009, P.152

³⁵² Wang Xiaoli & Wang Xuefeng, 2006, 'An Analysis on the Change of Tourism Policy in China', Market Modernization 2006-12, pp.215-216

³⁵³ Zhang Guangrui, 'Outbound Tourism: the Income and Issue of Treasure', www.casstourism.com 2006-08-04, access date, 2006-10-14

Administration. He emphasized that the task of the tourism authority should be focused on the following aspects:

- Enhancing the transparency of tourism policy
- Creating a competitive edge of tourism industry of China in the world
- Taking off the restrictions on travel agencies
- Moving from a policy of ‘controlling’ to one of ‘harmonizing’³⁵⁴

5.4 Several New Regulations Concerning Outbound Tourism

When studying issues concerning tourism policy, many scholars will find out that most of tourism policies are included or contained within other policies. Policies that handle only tourism are rare.³⁵⁵ Thus, to make an accurate assessment of tourism policy in its different stages of development policies and regulations other than those simply concern tourism must also be analyzed. In past years Chinese tourism has been a booming industry and some consideration needs to be given as to whether this new policy is going to have positive influence on the industry of outbound tourism. An examination of several new regulations and reforms supports a positive answer.

• The reform of the passport system

Having access to foreign exchange and a passport are absolutely necessities for overseas tourists, but, for a very long period, the Chinese government exercised a very strict and complex control over the issue of passports in order to restrict outbound tourism. It is probably difficult for westerners to understand these issues because passports are their primarily personal identification cards, and they are routinely issued to any citizen upon request. In China, the passport was very important and it has been said that there is a close link between the position of passports and international relationship. In other words, the shift in passport policy also reflects the change of domestic politics and economy’.³⁵⁶ The passport was a special certificate, and there were previously a lot of regulations controlling the issuing of passports in China. In particular, the system of passport issuing was so complex that common people could not understand it easily. There were four kinds of passports in China: diplomatic, business, general and those for one-off journeys to Hong Kong and Macao at the early time of reform and open policy. The general passport was divided into two types: business general or private general. Before 2002, the tourist had to submit many certificates to apply for the private general passport to travel overseas; for example, the

³⁵⁴Shao Qiwei,, http://www.anshan-tour.cn/hh_sql_news/article_Show.asp?ArticleID=8503, 2005-8-31, access date, 2010-5-20

³⁵⁵ Chen Youhua, 2007, *Research on Tourism Policy of Japan*, Jiangxi People’s Publishing House, p.3

³⁵⁶ Wang Xiaofeng, 2006, ‘China’s population Quality of Outbound Tourists Influence, Factors & Tendency’, Population Journal 2006-06, pp.12-15

invitation of a foreign host, the certificate of the applicant's employer, the declaration of the tourism agency and so on.³⁵⁷ In addition, there was an attachment of first destination (it is called the outbound card) in the passport which showed where the tourist would go first; if somebody changed the first destination, his passport would become invalid. A Chinese researcher published a thesis about the private-purpose passport and said 'because of isolation diplomacy, there were only 210,000 people allowed to go abroad with private-purpose passport from 1949-1978.'³⁵⁸ However, along with the policy of open-door, more and more Chinese need to have the passports to make international contacts; so easing the procedure of passport acquisition became very important.

Initially, tourists visiting relatives in Hong Kong and Macao were only given a one-off pass, not a general passport. Although the tourist traveling to Southeast-Asia was given the tourism passport, which was also valid for one journey only. Cumbersome procedures for getting a passport were once the biggest challenge for outbound tourists in China. Passport reforms made in the first years of the new century have had a major impact on the tourism industry. The practice of issuing one-off tourism passports was abolished in July 2000, and a five-year private-purpose passport has become the standard version of the general passport since then. There remained only one special requirement --- the applicant for a tourism passport had to join a tourist group of a certain travel agency. Since 2002, the invitation paper has no longer been asked for. Significantly, from 2005 every Chinese citizen could apply for a passport with only an identity card, no another papers being required.³⁵⁹ This reform means that any Chinese can get the passport as easily as a westerner, and even the person not traveling with a group can be given a passport, which has made independent overseas travel possible. Although the business of travel agencies would not be increased by the increase in independent travel, the liberalization of the passport system did increase the number of Chinese tourists traveling to western countries. The change in the application process for passports in 2005 was huge and brought the system in China into line with those of western countries.³⁶⁰ Currently, access to a passport is not an obstacle to Chinese outbound tourism.

• The Increase in holiday period

According to Francois, money and time are the two basic elements needed to produce tourism demand. Free time is the precondition, so a reduction in working time and an increase in holiday

³⁵⁷ *The Travel to Hong Kong, Macao, Singapore, Malaysia, Thailand and Philippine*, China Tourism Press, 1996, p.20

³⁵⁸ Liang Zhikou, 2001, 'A Review and Consideration of Changes in Chinese Private-Purpose Passports since the Founding of P.R China', *Contemporary China History Studies*, 2001-08, pp.67-72

³⁵⁹ In eleventh day after China became the member of WTO, Ministry of Public Security declared the application for the passport will be without the invitation since 2002, and the passport will issued according to the need. Data is from Jinghua Newspaper, www.sina.com.cn, 2008-11-4, access date 2010-6-21

³⁶⁰ Wang Xiaofeng, 2006, 'China's population Quality of Outbound Tourists Influence, Factors & Tendency', *Population Journal* 2006-06, pp.12-15

periods are the determining factors for any change in tourism demand.³⁶¹ Especially for long distant outbound tourism, tourists need sufficient leisure time.³⁶²

There was only one long public vacation in China before 1999, which was for the Spring Festival. Other holidays were very short; for example, National Day and Labor Day lasted 1-3 days. Initially, the Chinese government introduced long holidays on a trial basis in order to increase domestic consumption in 1999. Both National Day (October 1) and Labor Day (May 1) were extended to seven days in that year. The result of this test was very positive; according to the statistics of CNTA, domestic travel experienced a boom increasing in that year and the holiday economy greatly stimulated domestic consumption, so that the receipts from nationals travel accounted for 70 percent of the total revenue of tourism industry, an increase of 1.4% over the previous year.³⁶³ As result of this experiment, the Chinese government understood the great potential of the holiday economy through this practice and started to discuss a long-term plan for holidays and vacations. In 2000, National Day and Labor Day were permanently fixed as seven-day holidays. On December 14, 2007, the State Council made a issued a decision to revise the '*National Day and New Year holidays approach*' and created a holiday system like this: 1(New Year) +3(Spring Festival) +1 (Tomb Sweeping Day) +1(Labor's Day) +1(Dragon Boat Festival) +1(Mid-Autumn Day) +3(National Day) +104(52weekends)= 115day.³⁶⁴ This holiday system gives more leisure time to Chinese people, placing their free time around the mean or above level on world scale.³⁶⁵ More importantly, on the day after that on, which the decision about revising '*National Day and New Year holidays approach*' was issued, the State Council also published an *Ordinance for Employee's Annual Leave with Salary* which is more specific and will guarantee implementation of relevant legislations.³⁶⁶ Although this regulation has not been implemented by all enterprises, it means that the Chinese vacation is going to be longer and the environment of travel has been similar to that in developed counties.

• The liberalization of the management of foreign exchange

Besides the appreciation of RMB, great reserves of foreign exchange have also contributed to the pressure for outbound travel as well as. After the coming of the new century, the situation of foreign exchange in China has changed totally in comparison to that at the beginning of reform. In these

³⁶¹ Luo Jiezheng & Wu Hualin (Trans), 1989, Tourism Education Press, *International Tourism Economy and Policy*, Francois Vellas, Economie Et Politique du Tourisme International, Economica, 1984, p.54

³⁶² Du Jiang & Daibin, 2008, *Annual Report of China Outbound Tourism Development 2006*, Tourism Education Press, p.13

³⁶³ CNTA, the Yearbook of China Tourism, China Tourism Press, 2000, p.369

³⁶⁴ Wei Xiaolan & Zeng Bowei, 2009, p.125

³⁶⁵ Wei Xiaolan & Zeng Bowei, 2009, p.125

³⁶⁶ Wei Xiaolan & Zeng Bowei, 2009, p.126

years, the Chinese government has recognized that great reserve of foreign exchange does not bring only benefit, but problem as well.³⁶⁷ Continued increases in the reserves of foreign exchange will harm the development of China's economy. They increased sixty times in fifteen years from 1991 to 2006 (see Table 3-6) and China became the leading holder of foreign reserves in the world. Huge amounts of foreign exchange reserves indicate that there is a great waste of foreign currencies.³⁶⁸ Contrary to the situation of the last century, recently consumption of foreign exchange seems to have been the task of the tourism industry, at least to some extent. In the last century, in order to obtain and control foreign exchange, China's government concentrated on developing inbound tourism and restrained outbound travel. To lessen the amount of trade surplus and resolve the pressure of reserve of foreign exchange, the government of China has had to relax the restriction on outbound tourism. Facing the same challenge, China must apply the same approach Japan used to stimulate the development of overseas travel. Though there is no visible movement like the 'million plan' of Japan, overseas travel has been encouraged in China, driven by the pressures of trade surpluses and supplies of foreign exchange.³⁶⁹ In past years, the update from the bureau of foreign exchange was very fast. Before 1994, each outbound tourist was allowed to get \$ 1000 in foreign currency, but since 2003, all the foreign currency needed can be exchange and currently all outbound tourist are able to use bank card abroad.³⁷⁰

'Foreign exchange control' (FEC) is often discussed concerning outbound tourism, and it plays an important part in the policy of tourism. Admittedly, every nation has the right to conduct its own 'FEC' policy. Usually, these are two main ways to implement FEC: one is to limit the amount of foreign exchange which the tourist can take abroad; while another is to control the rate of exchange.³⁷¹ The right of Chinese tourists to apply for foreign exchange was held by travel agencies before 2001, which meant that agencies applied for foreign exchange instead of the tourist and the Chinese citizen could not get foreign currency directly. In recent years, the speed of the policy-change on foreign exchange has increased. In 2007, the regulation of *management on foreign exchange with private purpose* was finally published. According to this newest document every Chinese can buy \$50,000 worth of foreign exchange without the document of a travel agency or other documents. Every Chinese acknowledges that it has been easy to obtain the allowed amount of foreign currency under this new management system.³⁷² It is certain that the easing of limits on foreign exchange transactions removed the restriction on overseas consumption. This has been

³⁶⁷ Wang Zhen, 2007, *Research on Reserve of Foreign Exchange*, China Finance Press, p.1

³⁶⁸ Wei Xiaolan & Zeng Bowei, 2009, p.152

³⁶⁹ Zhang Shanqin and He Jiamei, 2006, 'Economic Observation of Developing Outbound Tourism on Adjustment of International Balance', *Journal of Jiangxi Finance College* 2006-12, pp.74-79

³⁷⁰ Wang Weining, 2004, 'An Analysis of Current Situation based on the Change of Management of Foreign Exchange', *Management of Foreign Exchange* 2004-10, pp.27-28

³⁷¹ Liu Gansheng, 2000, *WTO & General Agreement of Trade in Service*, Tourism Press of Guangdong

³⁷² Zhang Lingyun, 2007, 'New Eyeshot of Tourism Research', *Tourism Tribune* 2007-03, pp.9-12

especially true since 2006, now that credit cards of several Chinese banks are accepted abroad. Moreover, as the China Bank Union signed an agreement with Global Refund Group Chinese tourists can get a tax return if they consume abroad.³⁷³

- **The Expansion of ADS**

Referring to the ADS system, Wei Xiaolan pointed out that it was only a transitional policy, and it would become meaningless as more and more countries granted ADS.³⁷⁴ In another words, the expansion of ADS indicates a continually relaxing of outbound tourism policy. Since the approval ADS for Hong Kong and Macao in 1983, the number of countries with ADS has increased substantially, by 2008, there have been 136 countries had been approved, and of these agreements ninety-six have actually taken effect. Especially after the approval of Taiwan and USA, the outbound tourism market has been greatly expanded.

- **The Signing of the Tourism Agreement between China and U.S.A**³⁷⁵

The signing of *Understanding Memorandum about providing convenience to Chinese tour group travelling to U. S America* on December 2 2007 signifies the official granting of ADS to America. On June 7 of 2008, the first tour groups to America set off from Beijing, Shanghai and Guangzhou, which marked a new stage of Chinese tour group traveling to America.³⁷⁶ According to statistics from CNTA, Chinese went to United States for three purposes before opening of the U.S market, these being official travel, business travel and migrant travel.³⁷⁷ By now, more countries in America have signed tourism agreements with China, so that Chinese can also visit other American countries when traveling to U.S.A. This lift-effect will inevitably promote development of outbound tourism.

- **The Official implementation of the Taiwan tour**

Due to the special political relationship between Taiwan and mainland China, the signing of their tourism agreement was an unusually complex process.

At the beginning, general secretary of China Tourism Association Shao Qiwei led a *China familiarization tour to Taiwan*, consisting of sixty-five people, to conduct an inspection tour to Taiwan from October 28 to November 6 of 2005.

³⁷³ Du Jiang and Daibin, *Annual Report of China Outbound Tourism Development 2006*, Tourism Education Press, 2008, p.23

³⁷⁴ Wei Xiaolan and Zeng Bowei, 2009, p.161

³⁷⁵ U. S is the fourth tourism-generating country and the fifth most popular destination for the Chinese traveler. See Wei Xiaolan and Zeng Bowei, 2009, P.145

³⁷⁶ There were three kinds of traveler used to visit U.S before the signing of this agreement, such as diplomatic, business and study people. See Wei Xiaolan and Zeng Bowei, 2009, p.145

³⁷⁷ See Wei Xiaolan and Zeng Bowei, 2009, p.145

In April of 2005, general secretary of China Hu Jintao and the Chairman of National Party had a meeting and reached an agreement to push the realization of mainland China citizens' travel to Taiwan.

On April 26 2006, the CNTA, Ministry of Public Security and the Taiwan Affairs Office of the State Council published *Management Measures of Mainland Residents going to Taiwan*.

From October of 2006 to August of 2007, the CNTA conducted six negotiations with Taiwan's civil tourism associations under the name of *Tourism Communication Association of two Sides*.

On July 4, 2008, the first group traveling to Taiwan set off.

In November of 2008, *Chartered Flight of two Side* was signed and direct chartered flight came true finally.³⁷⁸

Geographically, Taiwan Island is close to the main cities of mainland, at least as the crow flies. With the direct flights, it is much cheaper and convenient for Chinese to go to Taiwan than to other countries; given the language advantage, Taiwan will almost certainly become one of the favorite destinations for Chinese tourists. And increasing of tourists to Taiwan will bring vigor to China's outbound tourism.

• The Opening of the tourism business

It is well known that contemporary western tourism, which started after World War II, was based on a free market economy; By contrast, the contemporary Chinese tourism industry was established in a planned economy, which is still affecting China today. Despite the fact that the government of China has built the framework of a market economy since 1992, the market system is immature and is being improved further. Until now the U.S, EU and other countries have not confirmed the position of China's market economy because of these problems:

- Immature economic law
- Official controls on the export-import of resource materials
- The poor situation of property rights for technological innovations
- Financial management not consistent with a market economy

Because of these shortages China is not yet seen as a market economy.³⁷⁹ This means that China has not gotten equal treatment in international trade from countries with market economy. Clearly, in order to create a better environment for international business, improving the system of the market

³⁷⁸ Most people used to fly through Hong Kong before the end of 2008.

³⁷⁹ Wang Zhen, *Research on Reserve of Foreign Exchange*, China Finance Press, 2007

economy is an important task for China in the new century. Market system principles need to be extended to more and more industries in China. For example, outbound tourism in China should have a greater scope for development. To meet the challenge of competition from a free market, the outbound tourism industry should improve its management and services according to the rule of the market economy. In another words, in the current atmosphere of internationalization the tourism industry of China has to be open to the world.

In December 2001, China became the 143rd member of WTO (World Trade Organization). In order to complete its promises to WTO, the *Regulation towards Modifying Management of Travel Agent* was published. In the second rules of Article 27, the foreigner is allowed to invest in the tourism industry in the form of a joint-venture travel agency, co-operative travel agency or a wholly foreign travel agency. Notably, in the 33rd rule it is clearly declared: that all travel agencies invested in by foreigners are not allowed to handle with outbound travel including the travel in Hong Kong, Macao and Taiwan as an exception of being retained as a native privilege.³⁸⁰

In succeeding years, the Chinese government has continued to relax the limits on foreign agencies:

In 2006, Hong Kong travel agencies in Guangdong province were allowed to operate the business of Chinese travel in Hong Kong and Macau.

In 2007, Hong Kong travel agencies in several provinces beside Guangdong were also permitted to deal with the business of Chinese travel in Hong Kong and Macao also.

In 2008, the Yongan Travel Agency in Hong Kong obtained permission to conduct Chinese travel in Hong Kong and Macao, and it is first agency abroad got the right to run a Chinese outbound travel business, although it is limited to Hong Kong and Macao. More importantly, in 2007, earlier than the promised, the Chinese authority got rid of all limits on the branches of foreign travel agencies, which means any travel agency with foreign capital can establish their branches as well as Chinese travel agencies.

Up to 2008, China has completed all promises to the WTO. The gradual opening up of the business of outbound travel to foreign travel agencies has increased the competitiveness of China's tourism industry and outbound tourists have also benefited. Additionally, the tourism market including outbound tourism should become more mature under the influence and by competing with foreign businesses.

³⁸⁰ Law Department of CNTA, 2004, *Policy and Law (5th version)*, Tourism Education Press, p.157

5.5 The New Leap of Outbound Travel

Although the new policy has run for just three years since it was announced in 2005, the great change in tourism structure shows that the tourism industry in China has been greatly affected by the new policy. The statistics from CNTA clearly illustrate that ‘outbound tourism has become an important part of the tourism market and this change has impacted the running system of tourism economy in the whole China even global tourism market’.³⁸¹ According to the Yearbook of China Tourism Statistics, in 2006, the market of outbound travel kept steadily increasing with the opening of more approved destinations. The total number of Chinese outbound visitors reached 34.52 million, an increase of 11.3 % over the previous years. Of the total, 5.72 million Chinese nationals traveled abroad for public affairs, less than that of the previous year. In 2006, the total number of Chinese nationals traveling abroad organized by travel agencies was 8.43 million. These changes illustrates that China’s travel agencies have become mature and strong enough to be a convenient choice for outbound tourists. (see Table 5-3**Error! Reference source not found.**)

The data in Table 5-2 tells us that the structure of the three tourism markets has been adjusted due to the rapid development of outbound tourism. The increase speed in outbound tourism has exceeded that of inbound tourism, and even sometimes exceeds that of domestic tourism. Secondly, the number of outbound tourists organized by travel agencies is increasing steadily due to the implementation of the new policy and the elimination of restraints on outbound tourism. And the proportion of non-official outbound sightseeing tourists is more than 80% of whole outbound tourist, while in the early stage of the Reform and Open policy the official outbound tourists made up a proportion of more than 60%. For this situation, going abroad is said no longer an unattainable activity for Chinese due to the relaxing of outbound tourism policy.³⁸² Thus, the expansion and scale of outbound tourism market in China are rare phenomena in the history of world tourism industry.

Table 5-2 The three tourists markets in 2006, 2007 and 2008

	2005	2006		2007		2008	
	-	Numbers	Increasing %	Numbers	Increasing	Numbers	Increasing
Inbound Tourists	-	124	3.9	132	5.5	130	-1.24
Domestic Tourists	-	1394	15.0	1610	15.5	1720	6.8
Outbound Tourists	-	34	11.3	41	18.5	46	11.9

Source: Annual Report of China Outbound Tourism Development 2006&2007, China Tourism Press, 2009, p.8

Unit: Million

³⁸¹ Law Department of CNTA, 2004, *Policy and Law (5th version)*, Tourism Education Press, p.157

³⁸² Wei Xiaolan & Zeng Bowei, 2009, p.152

Table 5-3 Statistics of outbound tourists in 2006, 2007&2008

Terms	Number (million)			Increasing (%)			Rate in outbound travelers (%)		
	2006	2007	2008	2006	2007	2008	2006	2007	2008
Total outbound tourists	34.52	40.95	45.84	11.3	18.6	11.94	100	100	100
Public affairs	5.72	6.03		-2.8	5.3		16.5	14.72	
Private visitors	28.79	34.92		14.6	21.3		83.4	85.27	87.54
Organized by Travel Agencies	8.43	9.87		24.6	17.1		24.6	24.11	
Outbound tourism	4.08	5.02		30.7	17.1		11.8	12.26	
Travel in Hong Kong & Macao	4.34	4.85		18.3	22.9		12.5	11.84	
Border travel	0.32	0.45		-18.6	39.4		2.7	1.11	
Breakdown by destination									
Hong Kong	14.33	16.13	17.55	6	12.6		41.5	39.40	
Macao	9.89	12.77	15.52	16.7	29.1		28.6	31.18	
Japan		1.45	1.55		13.9			3.56	
Korea	1.09	1.31	1.37	30.2	19.5		3.1	3.20	
Vietnam	0.50	0.92		-40	81.7		1.4	2.24	
Thailand	0.76	0.71	0.62	22.7	-6.5		2.2	1.75	
U.S America			0.77	16.0					
Singapore	0.55	0.64	0.71		16.2		1.56	1.58	

Source: Annual Report of China Outbound Tourism Development 2006&2007, China Tourism Press, 2009 & The Yearbook of China Tourism Statistics-2007, China Tourism Press, 2008

Chapter Summary: The New Policy and the New Flight of Outbound Travel

After entering the new century, other functions of the tourism industry have also been emphasized, and the government of China has realized that a steady development of outbound tourism can both satisfy people's need to see the outside world and help to conduct external communication.³⁸³ With the all-round understanding of tourism, the Chinese government put forward to a new strategy to 'construct a great tourism nation'. To accomplish this target, the new policy of **greatly develop inbound tourism, standardly develop outbound tourism and all-roundly improve domestic tourism** to direct an integrated development of the three markets has been proposed. Although there are still some academic arguments about this policy, the preconditions of outbound tourism have been improved greatly, including the publishing of regulations that favor outbound tourism and elimination of restraints on outbound tourists and travel agencies. Easy application for passports, flexible exchange of foreign exchange and longer vacations have all paved the way for outbound tourism. Meanwhile, the increase in the number of countries with ADS offers more options for

³⁸³ Wu Yi was Vice-Premier (2003-2008) in charge of tourism work and her speech represented policy and guideline of the State Council. Wei Xiaolan and Zeng Bowei, 2009, p.205

tourists. Although the new policy was carried out for only three years, the statistics of outbound tourism show that it has developed considerably in 2006, 2007 and 2008. It can be seen from the new regulations and the operation of outbound tourism that essential differences exist between **‘standardly develop outbound tourism’** and **‘reasonably develop outbound tourism’**. Generally speaking, under the new policy, control and restraint do not exist any more. **‘Standardly develop outbound tourism’** implies the promotion of a healthy, sustainable and orderly development under guidance, regulated order in the market, provision of insurance, satisfaction of demand and strengthening the macro-control of outbound tourism market.

Chapter 6 Conclusions

The aim of this dissertation is to identify the impetus for the dramatic and dynamic development of outbound tourism between 1978 and 2008 from the perspective of tourism policy. Therefore, my study foci were on the effects of tourism policy and the reasons behind policy-making. Following up the brief retrospective look at Chinese outbound travel, the development of outbound tourism and the change of tourism policy after the implementation of the reform and open door policy on the different stage were elaborated in order to dig out the root of the adjustment of tourism policy and find the close relationship between the policy and development of outbound tourism. Based on the more in-depth segmented discussions of each chapter some coherent conclusions are drawn consequently are summarized out here. Tracing back the special process of tourism history of 1978-2008, it can be found that outbound tourism of P. R. China experienced great development, as well as the adjustment of tourism policy was very remarkable.

From Long-Term Stagnancy to Boom in a Short-Period

In 1923 the first travel agency was opened in China, but it disappeared very soon afterwards because of the War against Anti-Japan and the following Civil War. After the Second World War, world tourism entered its most prosperous period, but China's tourism fell into thirty-year stagnation. At first, due to the conflict of the two great camps of Socialism and Capitalism, the Chinese government had to attract visitors from western or other friendly countries by sacrificing economic benefits of inbound tourism. Later, the impact of the Great Cultural Revolution almost destroyed administration departments and the administrative system. In addition, unprecedented political travel during the Great Cultural Revolution caused a deficit to tourism in China. All in all, Chinese tourism did not develop but instead regressed in the first thirty years after foundation of P.R China.

Along with the Reform and Open-door, Chinese tourism entered upon the road of rapid development after 1978, but only from the perspective of inbound tourism. If judged by the standard of outbound tourism as 'tour groups organized and led by travel agencies', the beginning of China's outbound tourism should be dated from the publishing of interim measures of overseas travel at private expenses in 1997, and has since then developed steadily with official approval. Thus China's outbound tourism is a new industry with very short history. But its development has been miraculous, having completed the process from non-existence to prosperity in only ten years from 1997 to 2008. As Jullie Jie Wen said that 'possibly few, if any, countries in the world have experienced as fast a rate of growth in tourism as China. In a relatively short period, China has gone

from a country whose international tourism industry was insignificant to one which ranks amongst the top ten international tourism nations'.³⁸⁴

From Policy Vacuum to Dramatic Adjustment

In order to attract more inbound tourists to earn foreign exchange, which was vital for the reconstruction of China's economy, all the support and policy privileges were given to inbound tourism during the first twenty years of Reform and Open-door. As to outbound tourism, there was no legislation concerning travel agency operation, not even an official concept of it. Thus, the vagueness about outbound tourism from 1978 to 1997 is known as the policy vacuum. But in reality, citizens with relatives overseas have been allowed to visit Hong Kong and Macao since 1983. Although the travelers of VRT China are not classified as outbound tourists by the statistics of WTO, and even though VRT is not regarded as the beginning of real outbound tourism because of its additional requirements and rules, its fulfillment laid a solid foundation for the dramatic boom in outbound travel later. Most importantly, its development without the leakage of foreign exchange attracted more overseas Chinese and compatriots to visit China, which actually earned more foreign exchange for China. From a certain point of view, the operation of VRT promoted inbound tourism in a hidden way, and could be called a pioneering project in the tourism world. More notable, after having issued *'Interim Measures for the Administration of the Overseas Tours at one's Expenses of Chinese Citizens'* only five years before, the State Council issued *'Measures for the Administration of the Overseas Tours of Chinese Citizens'* in 2002. This new regulation removed many barriers and indicated that the policy of tourism had been loosened. Surprisingly, the Chinese government put a new tourism strategy to build a tourism great nation forward in 2005. Under the new direction of tourism strategy and policy the environment for the industry of outbound travel has become as favorable as it is for other aspects of tourism as well. The rapid increase in the number of Chinese outbound travelers during the period around the turn of the millennium was closely connected to the fast adjustment of policy.

From Simple Political Implement to Comprehensive Great Function

Historically, the Chinese accomplished seven expeditions to the Indian Ocean years before Columbus went to America, but they only served as political parades for national prestige, carried out irrespective of cost. Though China launched Visiting Relatives Travel to Hong Kong and Macao after 1978, it was with several preconditions including payment which ensured that foreign exchange could not exit the country. In addition, the government attracted a lot of Chinese living abroad and compatriots to make return visits, which brought foreign currency into China. To some

³⁸⁴ Julie Jie Wen, Clement A. Tisdell, 2001, p.15

extent, the beginning of outbound tourism was a product of political and economic concerns --- the Reform and Open Door policy. The economic function of tourism has been recognized since then. Along with the steady development of the tourism industry and the change in the international environment in the new century, the Chinese government began to pay attention to functions of tourism other than economic gain. A new comprehension of tourism developed, especially towards outbound tourism. It was emphasized that outbound tourism can also reduce the hugely favorable international trade balance, increase international communication and improve national image. Therefore, outbound tourism has become thought of as an important component in a new strategy to build a great tourism nation. In recent years, many new and positive regulations for outbound travel have been issued, such as more and longer holidays, more ADS countries and releasing more foreign exchange. Generally, the adjustments of policy towards outbound travel were intended to make the functions of outbound tourism, more comprehensive, for instance, by fulfilling people's will to see the outside world or helping to conduct external communication.

From Planned Control to Market Oriented

The development in tourism in China from 1978 to 2008 was remarkable; outbound tourism in particular experienced dramatic development in a short period of time, as a result of the end of the restricting vacuum in the policy on outbound tourism. The history of China from 1978 to 2008 showed that the rapid development of outbound tourism was closely related to a similar rapid adjustment in tourism policy. In the first regulation of *Interim Measures for the Administration of the Overseas Tours at one's Expenses of Chinese Citizens* which was published in 1997, reasonably developing outbound tourism was meant to control the development of outbound tourism with three rules: 1) official destination, 2) licensing of overseas travel and 3) quotas system. While *Measures for the Administration of the Overseas Tours of Chinese Citizens* in 2002 abolished these barriers and paid attention to the quality of service for outbound tourism. Since 2005, China has defined the goal of development in the tourism industry as constructing a Great Tourism Nation. Under the direction of this new strategy, the new policy to '**standardly develop outbound tourism**' concludes that 'control and restraint do not exist any longer, and it refers to promoting healthy, sustainable and orderly development by laying guidelines, regulating order, providing insurance, satisfying demand and strengthening macro-control of the outbound tourism market'. Thus some scholars perceive China as having adopted a *no pushing* and *no restricting* policy for outbound tourism, similar to that in most developed countries. The loosening of outbound tourism policy indicates that China is planning to construct a great tourism nation with integrated development of the three markets. Obviously, only developed countries with a market economy can adopt this kind of policy for outbound tourism. As a developing country China has applied the same

methods as these indicating that the ‘planned control’ of the government has been replaced by the market economy to a certain extent.

All in all, since 1978 outbound tourism of China has continually been in a process of continuous development, while tourism policy in China has been gradually relaxed. There is a clear connection between the two: the impact of the change in policy was to stimulate the tourism industry, thus providing the crucial energy that led to the dynamic development of outbound tourism. The policy adjustment released the potential of the economy and political authorities to stimulate the tourism evolution.

Additionally, the history of the years 1978-2008 shows that the adjustment of tourism policy in China in the same period was in line with the reform of politics and the economy. In other words, every adjustment of tourism policy in China at different periods from 1978 was based on the adjustment of national reform policy. The change in the tourism policy of China was impacted by politics and ideology much more than in other countries, it could be said that the reform determined the path of tourism policy. At beginning of reform, the gate to outbound travel was largely closed because of fears that the nature of socialism might be changed by it. The launching of outbound tourism policy in China after 1997 actually resulted from the deeper penetration of reform after the southern-tour speech of Deng Xiaoping in the spring of 1992. As a result of this penetration and ideological liberation, the restrictions of a command economy had to be removed gradually; and consequently, many limitations in the policy of outbound tourism have disappeared.

Influenced by the globalization China has been in new era of reform since the coming of the new century. Currently, ‘internationalization’ has become the focus of reform there. Facing this new situation of reform Chinese tourism policy has been further adjusted. In order to complete the new tasks of current reforms, opening the gate to outbound travel has been inevitable. In August 2005, CNTA changed tourism policy to **‘promoting inbound tourism vigorously, developing domestic tourism completely and growing outbound tourism standardly’**. According to the strategy of building the Great Nation of Tourism, the ‘standardly’ is hoped to open the market for further overseas travel and intensify the management of outbound tourism industry.

References

Archives

中国旅行社总社综合类档案, 上海市档案馆藏存, Q368-1-36, Q368-1-37

Archives of China Travel Agency, Archives Administration of Shanghai, file number: Q368-1-36, Q368-1-37

Documents & Regulations

Global Tourism Forecast to the Year 2000 and beyond, World Tourism Organization, 1997

Historical Statistics of the United States: Colonial Times to 1970, Byrd, Robert C.; Wolff, Wendy, Bureau of Census, 1975

WTO, *Tourism: 2020 Vision-Executive Summary* [R]. Madrid: World Tourism Organization, 1997

中国科学院, 主要资本主义国家经济统计集 1848-1960, 世界知识出版社, 1962

Academe of Science, *Statistics of Main Capitalist Counties 1848-1960*, Chinese World Knowledge Press, 1962

国家统计局国民经济综合统计司 编, 1999 新中国五十年统计资料汇编

The Department of Comprehensive Statistics of National Bureau of Statistics (eds.), *Comprehensive Statistical Data and Materials on 50 years of New China*, China Statistics Press, 1999

国家旅游局&中共中央文献研究室 编, 2005, 党和国家领导人论旅游(1978-2004), 中国旅游出版社和中央文献出版社

CNTA and Institute of CCP Archive (eds), 2005, *Comments of Leaders on Tourism (1978-2004)*, China Tourism Press & Institute of CCP Archive Press

中华人民共和国国家旅游局 汇编, 2008 中国旅游发展“十一五”规划纲要.专题篇, 中国旅游出版社

CNTA (eds.), 2008, *Eleventh Five-Years Plan of China Tourism*, China Tourism Press

中国经济发展中心, 中国旅游业报告, 中国年鉴出版社, 2005

Economy Center of China, *Report of China's Tourism Industry*, Press of China's yearbook, 2005

中国银行财经研究所上海分院, 1990, 上海储蓄银行历史资料

Financial Institute of Shang Hai Branch of Bank of China, 1990 *Historical Data of Shanghai Savings Bank*

国家旅游局人事劳动局教育司 编, 2004, 政策与法规(第5版), 旅游教育出版社

Law Department of CNTA (eds.), 2004, *Policy and Law (5th version)*, Tourism Education Press

国家旅游局人事劳动局教育司 编, 1997, 政策与法规, 旅游教育出版社

Law Department of CNTA (eds.), 1997, *Policy and Law*, Tourism Education Press

中国国家旅游局 编, 旅游法规精选, 旅游教育出版社, 1987

National Tourism Administration of the PRC (eds.), *Extract of Legislation of Travel Industry*, Tourism Education Press, 1987

中华人民共和国国家统计局, 中国统计年鉴 (1978-2006), 中国统计出版社

State Bureau of Statistics of People's Republic of China, *Yearbook of China's Statistics (1978-2006)*,

中华人民共和国国家统计局, 中国旅游统计年鉴 (1978-2006), 中国统计出版社

State Bureau of Statistics of People's Republic of China, *Yearbook of China's Tourism Statistics (1978-2006)*, China Statistics Press

References

关于建国以来党的若干历史问题的决议, <http://njdj.longhoo.net> 2001.06.23
Series Historical Issues of Communist Party of China since the Foundation of P. R China, <http://njdj.longhoo.net>
2001.06.23

邓小平文选第一卷(1938-1965), 人民出版社, 1989
Selected Works of Deng Xiaoping Volume 1 (1938-1965), People Press, 1989

邓小平选集第二卷(1975-1982), 人民出版社, 1994
Selected Works of Deng Xiaoping Volume 2 (1975-1982), People Press, 1994

邓小平选集第三卷(1982-1992), 人民出版社, 1993
Selected Works of Deng Xiaoping Volume 3 (1982-1995), People Press, 1993

Scientific Books and Articles in Chinese

蔡家成, 2002, 试论我国出境旅游管理体制体制改革问题, 旅游学刊, 2002-03, pp.13-18
Cai Jiacheng, 'Discussing on the Reform of China's Outbound Travel Management'. Tourism Tribune, 2002-03, pp.13-18

迟进才, 1998, 改革开放后的旅游经济, 旅游出版社, 广东
Chi Jingcai, 1998, *Research on Tourism Economy after Reform*, Tourism Press

陈友华, 2007, 日本旅游政策研究, 江西人民出版社
Chen Youhua, 2007, *Research on Tourism Policy of Japan*, Jiangxi People's Publishing House

陈占安 编, 2009, 审视中国, 中国社会主义出版社
Chen Zhanan, 2009, *Observation on China*, China Socialism Press

中国旅游研究院, 2009, 中国出境旅游发展年度报告 2007-2008, 中国旅游出版社
China Tourism Academy, 2009, *Annual Report of China Outbound Tourism Development 2007&2008*, China Tourism Press

中国旅游研究院, 2009, 中国旅游研究 30 年(1978-2008), 中国旅游出版社
China Tourism Academy, 2009, *Development of China Tourism Research 1978-2008*, China Tourism Press

中国旅游研究院, 2009, 中国出境旅游发展年度报告 2006&2007, 中国旅游出版社,
China Tourism Academy, 2009, *Annual Report of China Outbound Tourism Development 2006&2007*, China Tourism Press

陈威刚, 1989, 北京旅游地理, 旅游出版社, 北京
Chen Weigang, 1989, *Geography of Beijing Tourism*, Tourism Press, Beijing

蔡利平, 2007, 客观地呈现中国消费者在全球旅游市场中的形象, 旅游学刊, 2007-01, pp.16-18
Cai Liping, 2007, 'Toward a Deserved Image and Identity of the Chinese Consumers in the Global Marketplace of Tourism'. Tourism Tribune, 2007-01, pp.16-18

陈福义, 2006, 中国出入境旅游的发展思路, 湖南商学院学报, 2006-10, pp.40-44
Chen Fuyi, 2006, 'The Development Mentality of the Inboard and Outbound Traveling of China', Journal of Hunan Business College 2006-10, pp.40-44

陈宗胜, 1997, 中国城市居民收入差别的现状、趋势和影响因素, 经济研究, 1997-03, pp.21-31 and p.39
Chen Zhongshen, 1997, 'The Situation, Trend and Affection Factors of Income Difference of China's Urban Citizen' Economy Research 1997-03, p21-31+39

- 陈顺明, 2007, 出国旅游热的'冷'思考---从我国出境游客不文明行为谈起, 资源发展和市场, 2007-02, pp.281-283
- Chen Shunming, 2007, '*Rethinking on Great Upsurge in Outbound Travel-starting from Uncivilized Behaviors of Chinese Outbound Tourist*', Resource Development & Market 2007-02, pp.281-283
- 崔莹, 2007, 国际旅游活动对近代中国的影响, 山西青年干部管理学院学报, 2007-02, pp.85-86
- Cui Ying, 2007, '*The Influence of International Tourism on Modern China*', Journal of Shanxi College for Youth Administrator 2007-02, pp.85-86
- 戴学峰, 2004, 中国服务业发展报告, 社科文献出版社
- Dai Xuefeng, 2004, *Development Report of Service Industry*, Press of Literature of Social Science
- 戴学峰&巫宁, 2006, 关于中国出境旅游高速增长的负面影响探究, 旅游学刊, 2006-02, pp.41-45
- Dai Xuefeng & Wu Ning, 2006, '*An Analysis of Negative Impact of the Rapid Growth of China's Outbound Trade*' Tourism Tribune 2006-02, pp.41-45
- 丁健&李林峰, 2004, 广州出境游客行为研究, 地理研究, 2004-09, pp.709-714
- Ding Jian & Li Linfeng, 2004, '*A Study on Tourist Behavior of Outbound Travel for Guangzhou Resident*', Geographical Research 2004-09, pp.709-714
- 杜江, 1995, 中国旅行社管理的调整, 旅游研究, 1995-12
- Du Jiang, 1995, '*The Adjustment of Chinese Agency's Management*', Travel Research 1995-12
- 杜江, 1997, 中国旅行社发展战略, 旅游经济, 1997-05
- Du Jiang, 1997, '*The Strategy of Chinese Agency Development*', Travel Economic 1997-05, Beijing
- 杜江, 2000, 中外旅行社制度环境对比, 旅游学刊, 2000-01. pp.01-12
- Du Jiang, 2000, '*The Comparing of Institutional Environment between China Agency and foreign Agency*', Travel Tribune 2000-01, Beijing, pp.01-12
- 杜江, 2000, 中国旅行社发展现状和趋势研究, 旅游学院学报, 2000-04
- Du Jiang, 2000, '*The Analysis of Development State and Trend of Chinese Agency*' Transaction of Travel Institute 2000-04, Beijing
- 杜江, 厉新建, 秦宇&李宏, 2002, 中国出境旅游变动趋势分析, 旅游学刊, 2002-03, pp.44-48
- Du jiang, Li Xinjian, Qin Yu & Li Hong, 2002, '*An Analysis of the Trends of China's Outbound Tourism*' Tourism Tribune 2002-03, pp.44-48
- 杜江&戴斌, 2008, 中国出境旅游发展年度报告 2006, 旅游教育出版社
- Du Jiang & Daibin, 2008, *Annual Report of China Outbound Tourism Development 2006*, Tourism Education Press
- 范家驹, 1988. 北京和沿海地区的旅游管理, 社会科学出版社, 上海
- Fan Jiaju, 1988, *Management of Tourism in Beijing and Coastal Areas*, Social science Press, Shanghai
- 冯玮, 2005, 中国出境旅游业现状及未来发展思考, 经济地理, 2005-03, pp.244-247
- Feng Wei, 2005, '*The Analysis of Current Situation and Future Development of Outbound Tourism in China*', Economic Geography 2005-03, pp.244-247
- 高舜礼, 2006, 中国旅游产业政策研究, 中国旅游出版社
- Gao Shunli, *Study on Policies of Tourism Industry in China*, China Tourism Press
- 高舜礼, 2002, 新形势下出境游发展应处理好几个关系, 旅游学刊, 2002-06, pp.42-44
- Gao Shunli, 2002, '*Handling Several Relations while Developing Outbound Tourism under the New Situation*', Tourism Tribune 2002-06, pp.42-44

References

- 顾纪瑞, 2003, 加入 WTO 对消费热点的影响, 宁夏党校学报, 2003-01, pp.62-65
Gu Jirui, 2003, *'Influences Exerted on the Consumer Hot Spot by China's Entry into WTO'*, Journal of Ningxia Communist Party Institute 2003-01, pp.62-65
- 郭英之 & 张宏, 2004, 中国出境旅游目的地市场定位研究, 旅游学刊, 2004-04, pp.27-32
Guo Yingzhi & Zhang hong, 2004, *'A Study of Market Positioning of China's Outbound Travel Destinnations'*, Tourism Tribune 2004-04, pp.27-32
- 何光伟, 1992, 邓小平建设有中国特色社会主义对旅游发展推动作用, 旅游学刊, 1992-07
He Guangwei, 1992, *'To further study Deng Xiaoping's theory on building socialism with Chinese character, in order to speed up tourism development'*, Tourism Tribune 1992-07
- 韩可华, 1994, 当代中国旅游业, 当代中国出版社
Han Kehua, 1994. *Tourism Industry of Contemporary China*, Press of Cotemporary China
- 何光玮, 1999, 中国旅游业 50 年, 中国旅游出版社
He Guangwei, 50 Years of Tourism Industry in China, China Tourism House, 1999
- 和平, 俞景华, 李鹏和胡小磊, 2008, 全球化与国际政治, 中央编译出版社
He Ping, Yu Jinghua, Li Peng & Hu Xiaolei, 2008, *Globalization & International Politics*, CCTP Central Complication & Translation Press
- 何沁, 1999, 中华人民共和国国史
He Qin, 1999, *the History of P.R China*, Press of High Education
- 胡绳, 1982, 从鸦片战争到五四运动, 红旗出版社
Hu Sheng, 1982, *From Opium War to Wusi Movement*, Hongqi Press
- 黄大勇, 2002, 加入 WTO 对旅行社行业发展的影响及对策, 商业研究, 2002-11, pp.125-127
Huang Dayong, 2002, *'Impaction and Countermeasure on Tourism Agent of Joining WTO'* Commercial Research 2002-11, pp.125-127
- 胡建华 & 李晔, 2004, 从旅游需求看中国国内旅游市场的发展, 山西财贸大学学报, 2006-12, pp.62-64
Hu Jianhua & Li Ye, 2004, *'Observing of Development of China's Tourism Market from Tourist Demand'*, Journal of Jiangxi University of Finance and Economics 2004-6, pp.62-64
- 贾春蓉 & 张军, 2006, 市场开放中我国服务贸易的 SWTO 分析, 中国西北师范大学学报 (自然科学版) 2006-12, pp.397-399
Jia Chunrong & Zhang Jun, 2006, *'Analysis of the Tour Service Trade of Our Country by SWOT in Open Market'*, Journal of China West Normal University (Natuall Science) 2006-12, pp.397-399
- 荆艳峰, 2007, 我国出境旅游发展趋势预测及建议, 产业观察, 2007-01, pp.80-81
Jing Yanfeng, 2007. *'Forecast and Suggestion of China's Outbound Tourism'*, Eastate Observation 2007-01, pp.80-81
- 匡林, 2001, 旅游业政府主导型发展战略研究, 中国旅游出版社
Kuang Lin, 2001, *Research on Government-Oriented Development Strategy of Tourism*, China Tourism Press
- 赖玺婷, 杨志平和刘水源, 2007, 中国出境旅游现状和对策分析, 沿海企业与科技, 2007-01
Lai Xiting, Yang Zhiping & Liu Shuiyan, 2007, *'An Analysis on Current Situation and Countermeasures of China's Outbound Tourism'*, Costal Enterprises and Science & Technology 2007-01
- 雷雨声, 2006, 公费出国的 '荣' 与 '耻', 同舟共进, 广东省省委, 2006-05, pp.19-21
Lei Yusheng, 2006, *'The Glory and Shame of Business Travel'*, Tongzhou Gongjin, CPPCC of Guangdong Province, 2006-05, pp.19-21

- 李 嫒, 2004, 出境旅游热的冷思考, 华东经济管理, 2004-06, pp.161-163
Li Huan, 2004, '*A Rethinking on the Great Upsurge in Outbound Travel*', East China Economic Management 2004-06, pp.161-163
- 李星群&赵伟兵, 2007, 国外中国旅游研究进展研究述评, 旅游学刊, 2007-03, pp.90-94
Li Xingqun and Zhao Wenbing, 2007, '*Analyzing of the Progress in International Tourism Research about China*', Tourism Tribune, 2007-03, pp.90-94
- 李吉莲 & 邵 岩, 2004, 王韬与中国近代出国旅游, 商丘职业技术学院学报, 2004-04, pp.65-66
Li Jilian & Shao Yan, 2004, '*Wang Tao and Modern China's Overseas Travel*', Journal of Shangqiu Vocational and Technical College 2004-04, pp.65-66
- 厉建新, 2006, 中国出境旅游市场发展变化与趋势, 人文地理, 2006-03, pp.83-87
Li Jianxin, 2006, '*The Changes and Trends of the Chinese Outbound Travel*', Human Geography 2006-03, pp.83-87
- 李宏戴, 1998, 政府之手---我国旅游管理改革, 旅游学刊, 1998-03
Lin Hongdai, 1998, '*The Hand of Government ---The Reform of Travel Management in China*', Travel Tribune 1998-03, Beijing
- 梁治寇, 2001, 建国以来因私普通护照版本变化的回顾与思考, 当代中国历史研究, 2001-08, pp.67-72
Liang Zhikou, 2001, '*A Review and Consideration of Changes in Chinese Private-Purpose Passports since the Founding of the P.R China*', Contemporary China History Studies, 2001-08, pp.67-72
- 刘 菲, 2004, 关于开放我国出境旅游市场的思考, 北京工商大学学报, 2004-02, pp.75-78
李喜所主编, 2005, 留学生与中外文化, 南开大学出版社
Li Xisuo (eds.), 2005, *Student abroad and Chinese-Western Culture*, Nankai University Press
- 李宗刚, 2006, 新式教育与五四运动, 齐鲁出版社
Li Zonggang, 2006, *New Education and Student Movement in 1919*, Qilu Press
- 李庚, 1989, 北京旅游业战略, 燕山出版社, 北京
Li Geng, 1989, *the Strategy of Beijing Travel Industry*, Yanshan Press, Beijing
- 刘海山, 1988, 旅游法, 法律出版社, 北京
Liu haishan, 1988. *The Law of Tourism*, Law Press, Beijing
- 刘敢生, 2000, WTO& 旅游服务贸易的法律问题, 广东旅游出版社
Liu Gansheng, 2000, *WTO & General Agreement of Trade in Service*, Tourism Press of
- 刘菲, 2004, 对出境旅游开放的反思, 北京科技商业大学校报, 2004-02, pp.75-78
Liu Fei, 2004 '*Reflection on Opening Chinese Outbound Tourism Market*'. Journal of Beijing Technology and Business University (Social Science) 2004-02, pp.75-78
- 刘丹青&黄荣, 2006, 论跨文化旅游的文化后果和解决, 长沙理工大学学报, 2006-03, pp.93-95
Liu Dangqing & Huang Rong, 2006, '*A Study on the Culture, Consequence of Cross-culture Tourism and its Dispositions*', Journal of Changsha University of Science & Technology (social science) 2006-03, pp.93-95
- 刘文波, 1999, 我国出境旅游市场的现状及趋势, 商业经济与管理, 1999-03, pp.54-58
Liu Wenbo, 1999, '*Current Situation & Trend of China's Outbound Tourism Market*', Business Economy & Management 1999-03, pp.54-58
- 龙 婷, 2003, 论我国出境旅游的发展前景及对策, 江西科技师范学院, 2003-06, pp.47-49
Long Ting, 2003, '*Discussion about Trend and Countermeasures of China's Outbound Tourism*' Journal of Jiangxi Science & Technology Teacher's College 2003-06, pp.47-49

References

- 罗结珍, 吴化麟和胡健 (译), 1989, 旅游教育出版社, 国际旅游经济与政策, 弗朗索瓦.韦拉, 1984, 法国经济出版社
Luo Jiezhen & Wu Hualin (Trans), 1989, Tourism Education Press, *International Tourism Economy and Policy*, Francois Vellas, Economie Et Politique du Tourisme International, Economica, 1984
- 吕星斗, 邓小平和他的事业---研究选萃, 中共党史出版社
Lv Xingdou (eds.), 1993, *Deng Xiaoping & His Career*, CCP History Press
- 马勇, 余冬林, 周霄, 2008, 中国旅游文化史纲, 中国旅游出版社
Ma Yong, Yu Donglin & Zhou Xiao, 2008, *Compendium of China Culture History*, China Guangdong Press
- 苗迎春, 2009, 中美经贸摩擦研究, 武汉大学出版社
Miao Yingchun, 2009, *On Sino-U.S Economic and Trade Friction*, Wuhan University Press
- 牛艳茹, 2008, 我国旅游信息现状和发展, 网络与信息, 2008-04, pp.9-3
Niu Yanru, 2008, 'The Situation and Development of Tourism Information in China', Network & Information 2008-04, pp.9-13
- 彭勇, 2006, 中国旅游史, 郑州大学出版社
Peng Yong, 2006 *Tourism History of China*, Zhengzhou University Press
- 纪念伟大的航海家郑和下西洋 580 周年筹备委员会, 1985 '郑和下西洋', 人民交通出版社
Preparing Committee to Anniversary 580 of Zheng He, 1985 *Zheng He Voyage*, People's Transportation Press
- 彭玲, 2006, 我国出境旅游目的地的国家, 地区分类研究, 世纪桥, 2006-11, pp.57-58
Peng Ling, 2006, 'Initial Discuss on China's Outbound Destination', Shijiqiao, 2006-11, pp.57-58
- 课题组, 2002, 中国公民出境旅游消费特征分析, 北京第二外国语学院学报, 2002-06, pp.1-7
Project group, 2002, 'Analyzing of the Character of Consumer of Chinese Tourist', Journal of Beijing Second Foreign Language University, 2002-06, pp.1-7
- 钱炜, 1988, 创造性思维和旅游产业, 旅游出版社, 北京
Qian Wei, 1998, *Creative Thought and Travel Industry*, Tourism Press, Beijing
- 饶全, 2003, 加入 WTO 对旅游业的影响, 中华儿女, 2003-01, pp.28-31
Rao Quan 2003, 'Influence of Joining in WTO on Tourism', China Profiles 2003-01, pp.28-31
- 容闳, 1981, 西学东渐记, 人民出版社
Rong Hong, 1981, *My Life in China and America*, Hunan People's Press
- 申葆嘉, 1998, 旅游市场的竞争, 旅游学院学报, 1998-12, pp.18-20
Shen Baojia, 1998. 'The Competition of Travel Market', the Transaction of Travel Institute 1998-12, Beijing, pp.18-20
- 慎丽华, 2002, 中国旅游经济的发展现状, 海岸工程, 2002-06, pp.13-20
Shen Lihua, 2002, 'Development Situation of Tourist Economy in China', Seashore Work 2002-06, pp.13-20
- 舒伯阳, 2004, 我国出境旅游市场的发展趋势及管理政策研究, 中国软科学, 2004-11, pp.31-34
Shu Boyang, 2004. 'A study on the Current Situation and Trend of Chinese Outbound and the Administration of Policy', China's Soft Science, 2004-11, pp.31-34
- 孙玉琴, 2003, 加入 WTO 中国出境旅游发展态势和对策, 江西社会科学, 2003-04, pp.238-241
Sun Yuqin, 2003, 'Prospective and Countermeasure of China's Outbound Tourism after Joining WTO', Jiangxi Social Sciences 2003-04, pp.238-241

- 孙玉琴&董四化, 2003,中国出境旅游发展问题研究, 江西财经大学学报, 2003-04, pp.56-58
 Sun Yuqin and Dong Sihua 2003, 'An Analysis on the Development of China's Outbound Tourism', Journal of Jiangxi University of Finance and Economics 2003-04, pp.56-58
- 舒新城, 1961, 中国近代教育史资料(上册), 人民教育出版社
 Shu Xincheng, 1961, *Materials of China's Modern Education*, People's Education Press
- 宋振春 著, 2006, 当代中国旅游发展研究, 经济管理出版社
 Song Zhenchun, 2006, *Research on Tourism Development of Contemporary China*, Economy Management Press
- 孙中亲, 2009, 从计划到市场-中国经济转型探析, 中国社会出版社
 Sun Zhongqin, 2009, *Economy Shift from Plan to Market*, China Community Press
- 唐飞, 刘太萍&范中启, 2005, 中国公民出境游市场现存问题及对策研究, 社会观察, 2005-02, pp.101-103
 Tang Fei, Liu Taiping & Fan Zhongqi, 2005, 'Current Problems and Countermeasures in the market of Outbound Tourism' Social Observe 2005-02, pp.101-103
- 王辉耀, 2007, 当代中国的归国人员, 中国发展出版社
 Wang Huiyao, 2007, *Contemporary China's Returnees*, Development Press of China
- 王淑良, 2005, 中国现代旅游史, 东南大学出版社
 Wang Shulang, 2005. *China Modern Tourism History*, Dongnan University Press
- 王珍, 2007, 中国外汇储备管理研究, 中国金融出版社
 Wang Zhen, 2007, *Research on Reserve of Foreign Exchange*, China Finance Press
- 王伟宁, 2004, 结合外汇管理形式变化分析中国出境旅游现状, 外汇管理 2004-10, pp.27-28
 Wang Weining, 2004, 'An Analysis of Current Situation based on the Change of Management of Foreign Exchange', Management of Foreign Exchange 2004-10, pp.27-28
- 王学彬, 1998, 中国将成第一旅游大国- 旅游预测, 旅游学院学报, 1998-11
 Wang Xuebin, 1998. 'China will be First Travel Country---Future forecast', The Transaction of Travel Institute 1998-11, Beijing
- 王晓丽&王学峰, 2006, 解读新形势下出国旅游政策的变更, 市场现代化, 2006-12, pp.215-216
 Wang Xiaoli and Wang Xuefeng, 2006, 'An Analysis on the Change of Tourism Policy in China', Market Modernization 2006-12, pp.215-216
- 王晓峰, 2006, 中国出境旅游人口规模的增长原因和趋势, 人口学刊, 2006-06, pp.12-15
 Wang Xiaofeng, 2006, 'China's population Quality of Outbound Tourists Influence, Factors & Tendency', Population Journal 2006-06, pp.12-15
- 王镜&马耀峰, 2006.消费主义与我国旅游消费的异化, 绿色经济, 2006-04, pp.73-78
 Wang Jing & Ma Yaofeng, 2006, 'Consumerism and Dissimilation of Chinese Travel Consumption', Green Economy 2006-04, pp.73-78
- 魏小安, 2004, 旅行社的变化与发展 <http://www.casstourism.com/center/ArticleDetails.aspx?id=139>, 2004.10.21
 Wei Xiaoan, 2004, *Change and Development of Travel Agents*, <http://www.casstourism.com/center/ArticleDetails.aspx?id=139>, 2004.10.21
- 魏小安, 1993, 政策与中国旅游的发展, 旅游与教育出版社
 Wei Xiaoan, 1993, *The Policy and Development of China's Tourism*, Travel and Education Press
- 魏小安, 1999, 中国旅游业的发展趋势, 广东旅游出版社

References

- Wei Xiaolan, 1999, *The Development Tendency of China's Travel Industry*, Guangdong Travel Press
- 魏小安和曾博伟 主编, 2009, 旅游政策与法规, 旅游教育出版社
Wei Xiaolan & Zeng Bowei (eds.), 2009, *Tourism Policy and Law*, Tourism Education Press
- 伍金球, 2006, 中国出国留学走势, 广东人民出版社
Wu Jinqiu, 2006, *Trend of Chinese Overseas Study*, Guangdong Press
- 巫新华, 2004, 中国古代丝绸之路, 四川人民出版社
Wu Xinhua, 2004 *China Ancient Silk-Road*, Sichuan People's Press
- 夏林根, 2006, 国际化进程中的中国旅游业, 上海三联书店
Xia Lingen, 2006, *Chinese Tourism Industry in the Process of Internalization*, Shanghai SDX Joint Publishing House
- 谢彦君, 陈丽 译, 2007, 旅游研究方法, 旅游教育出版社
Xie Yanjun & Chen Li (Trans), 2007, *Tourism Research*, Tourism Education Press
Gayle Jennigs, 2001, *Tourism Research*, John Wiley & Sons Australia, Ltd
- 谢彦君, 2003, 对旅游业和其收入的研究, 旅游论坛, 2003-05
Xie Yanjun, 2003, 'The Research on Tourism and Receiving', *Tourism Tribune* 2003-05
- 许振晓, 2002, 中国出境旅游市场失效性分析及对策, 旅游科学, 2002-01, pp.43-46
Xu Zhenxiao, 2002, 'An Analysis of the Inefficiency of China's Outbound Travel Market and Some countermeasures', *Tourism Science* 2002-01, pp.43-46
- 徐 梵, 2004, 中国旅游市场概论, 中国旅游出版社
Xu Fan, 2004, *Discussing of China's Tourism Market*. Press of China's Tourism
- 徐泰来, 1985 晚清洋务运动研究, 四川人民出版社
Xu Tailai, 1985, *Research on Yanwu Movement*, Sichuan People's Press
- 徐日辉, 2008, 中国旅游文化史, 黑龙江人民出版社
Xu Rihui, 2008, *Culture History of China Tourism*, Heilongjiang People's Press
- 燕帆, 1993, 大串联---一场史无前例的政治旅游, 警官出版社
Yan Fan, 1993, *Dachuanlian-Unprecedented Political Travel*, Police Press
- 闫森林, 1999, 中国旅游的国际竞争战略, 力新财会出版社
Yang Shenlin, 1999, *International Competitive Strategy of Chinese Tourism*, Lixin Accounting Press
- 余 培, 1993, 外国游客的旅游价格, 旅游出版社
Yu Pei, 1993, *Tourism Price for Foreign Tourist*, Tourism Press, Beijing
- 袁正新和张国兴 主编, 2008, 旅游政策与法规, 中国林业出版社和北京大学出版社
Yuan Zhengxin & Zhang Guoxing (eds.), 2008, *Tourism Policy and Law*, China Forestry Publishing House& Peking University Press
- 杨 军, 2006, 中国出境旅游'双高'格局及政策取向辨析, 2006-06, pp.65-68
Yang Jun, 2006, 'An Analysis of "overgrowth and over-consumption" in China's Outbound Travel and Policy Orientation', *Tourism Tribune* 2006-06, pp.65-68
- 叶毅辉, 2003, 对海外出境旅游的考察, 市场经济, 2003-01, pp.28-30
Ye Yihui, 2003, 'Outbound Travel-Look at World Abroad', *Market Outlook* 2003-01, pp.28-30
- 余 洁, 马耀峰和苟晓东, 2006, 近年来旅游研究的现状及热点述评, 经济地理, 2006-07, pp.683-685

- Yu Jie, Ma Yaofen & Guo Xiaodong, 2006, 'A summary on the Present Situation and Hot Topics of China's Tourism Research in Recent Years', *Economic Geography* 2006-07, pp.683-685
- 衣少华, 2002, 加入 WTO 对中国出境旅游政策的影响, *旅游研究与实践*, 2001-02, pp.11-14
- Yi Shaohua, 2002, 'Impact of joining into WTO on the Policy of Chinese Outbound Tourism', *Tourism Research and Practice* 2001-02, pp.11-14
- 赵晓燕, 2001, 旅游经济学, 经济管理出版社
- Zhao Xiaoyan, 2001, *Tourism economics*, Economic Management Publishing House
- 张俐俐, 1998, 中国近代旅游发展的经济透视, 天津大学出版社
- Zhang Lili, 1998, *China's Modern Tourism Development in Economic Perspective*, Press of Tianjin University
- 张凌云, 1997, 中国旅游自由竞争的前景, 上海出版社
- Zhang Lingyun, 1997, *Perspective of Free Competition in Chinese Tourism Industry*, Shanghai Press
- 张希萍, 1998, 中国旅游发展战略研究, 山西人民出版社
- Zhang Xiping, 1998, *Research of Development Strategy of Chinese Tourism*, Shanxi People's Press
- 张维华 主编, 1985 论郑和下西洋, 海洋出版社
- ZhangXihua (eds.), 1985, *Comments on Zhenghe's Voyage*, Sea Press, 1985
- 张俐俐, 1997, 对中国旅行社发展模式的研究, *旅游科学*, 1997-03
- Zhang Lili, 1997, 'The Research of Development Mode of China's Travel Agency' *Travel Science* 1997-03, Beijing
- 张 辉, 厉建新&秦 宇, 2003, 中国出境旅游市场现状与趋势判断, *商业研究*, 2003-02, pp.147-151
- Zhang Hui, Li Xinjian & Qin Yu, 2003, 'The Present Situation and Trend of China outbound Tourism', *Commercial Research*, 2003-02, pp.147-151
- 张广瑞, 2002.出境旅游发展背后的担忧, *人民论坛*, 2002-03, pp.36-39
- Zhang Guangrui, 2002, 'Outbound Tourism-the Worry behind the Prosperity', *People's Tribune* 2002-03, pp.36-39
- 张广瑞, 2005, 中国出境旅游热的冷静思考-关于中国旅游发展政策的辨析, *财贸经济*, 2005-07, pp.89-92
- Zhang Guangrui, 2005, 'Sober Judgment on China's Outbound Tourism Boom-Argument for Future China's Outbound Tourism Policy', *Finance & Trade Economics* 2005-07. pp.89-92
- 张广瑞, 2006, 出境旅游:财富输入与流出, www.casstourism.com 2006-08-04
- Zhang Guangrui, 2006, 'Outbound Tourism: the Income and Issue of Treasure', www.casstourism.com 2006-08-04
- 张坚钟, 中国出境旅游的发展现状, 趋势和政策
- Zhang Jianzhong, 'The Situation of Development, Trend and Policy of Outbound Tourism in China', <http://www.outbound-tourism.cn>
- 张坚钟, 2004, 加入世贸组织对我国旅行社行业影响和对策
- Zhang Jianzhong, 2004, 'The Impact and Countermeasure of Joining in WTO on the Tourism Agent', <http://www.jnta.gov.cn>, 2004.03.30
- 张凌云, 2007, 旅游研究的新视野, *旅游学刊*, 2007-03, pp.9-12
- Zhang Lingyun, 2007, 'New Eyseshot of Tourism Research', *Tourism Tribune* 2007-03, pp.9-12
- 张善芹&何佳梅, 2005, 中国出境旅游发展及原因分析, *桂林旅游高等专科学校学报* 2005-12 pp.61-64,
- Zhang Shanqi & He Jiamei, 2005, 'Analysis on Development and Reason of China's Outbound Tourism', *Journal of Guilin Institute of Tourism* 2005-12, pp.61-64

References

- 张善芹&何佳梅, 2006, 发展出境旅游对国际收支调节的经济学透视, 江西金融职工大学学报, 2006-12, pp.74-79
Zhang Shanqin & He Jiamei, 2006, 'Economic Observation of Developing Outbound Tourism on Adjustment of International Balance', Journal of Jiangxi Finance College 2006-12, pp.74-79
- 郑淑倩, 李经龙和张淑萍, 2006, 中国出境旅游发展研究, 江西财经大学学报, 2006-12, pp.108-111
Zheng Shuqian, Li Jinglong & Zhang Shuping, 2006, 'The Research on the Development of China's Outbound Tourism'. Journal of Jiangxi University of Finance and Economics 2006-12, pp.108-111
- 钟海生&郭英志, 2001, 中国旅游市场发展和需求, 广东旅游出版社
Zhong Haisheng & Guo Yingzhi, 2001, *Demand and Development of Chinese Tourism Market*, Guangdong tourism press
- 郑炎, 2000, 中国旅游发展史, 湖南教育出版社
Zheng Yan, 2000, *Development History of China's Tourism*, Press of Hunan Education
- 曾玲 (编), 2008, 东南亚的“郑和记忆” 黄山出版社
Zeng Ling (eds.), 2008, *East-Asian 'Zheng He Memory'*, Huangshang Press
- 朱 华, 2005, 全球化背景下的旅游经济和国际竞争, 研究与探索, 2005-11, pp.28-30
Zhu Hua, 2005, 'Tourism Economy and International Competition under Globalization', Research Forum 2005-11, pp.28-30
- 朱蕴波, 2006, 北京出境旅游市场消费特征, 北京社会科学, 2006-04, pp.76-79
Zhu Yunbo, 2006, 'A Survey on the Consumption Characteristics of Beijing Outbound Tourism Market', Beijing Social Science 2006-04, pp.76-79
- 朱志明, 1999, 中国旅游发展的六大趋势, 上海经济, 1999-10
Zhuang Zhimin, 1999, 'The Six Trends of Chinese Travel Development', Shanghai Business 1999-10

Scientific Books and Articles in English

- AdÄle Hodgson, 1987, *the Travel and Tourism Industry: Strategies for the Future*, Pergamon Press, New York
- Alston Jon P, 1997, *Business Guide to Modern China*, Michigan University Press
- Aristotle, 1976, *the Ethics of Aristotle: the Nicomachean Ethics*, J.A.K. Thompson trans., Tredennick rev. trans., Penguin, Harmondsworth
- Becker, H.S., 1978, Arts and Crafts, American Journal of Sociology, 83 (4): pp.862-889
- Brian Goodall and Gregory Ashworth, 1990, *Marketing in the Tourism Industry: the Promotion of Destination Regions*, Routledge, London
- Britton, S. G. and Clarke, W.C, 1987, 'Ambiguous alternative. Tourism in Small Developing States', University of the South Pacific, Suva 1987-02
- Central Statistical office, 1995, *Travel Trends: an Report on the 1994 International Passenger*, HMSO, London
- Choy, Dexter J. L. 1983, 'Tourism in the PRC---Five Years after China Opens its Gates', International Journal of Tourism Management 1983-09
- David L. Edgell, Sr, Maria Delmastro Allen, Ginger Smith, Jason R.Swanson, 2008, *Tourism Policy and Planning: Yesterday, Today and Tomorrow*, Linacre House, Jordan Hill, Oxford OX2 8 DP, UK

- David, Harrison, 1992, '*International Tourism and the Less Developed Counties: the Background*' from *Tourism & the Less Developed Counties*, Edited by David Harrison, John Wiley & Sons
- Destination: Policies and Perspectives*, Longman, Harlow, Essex
- Edgell, D. 1978, '*International tourism and travel*', in H.F. Van Zandt (ed), *International business prospects, 1977-1999*, Bobbs-Merill, Indianapolis, pp.171-173
- Edgell, David, L. 1990, *International Tourism Policy*, Van Nostrand Reinhold, New York
- Elliot James 1987, '*Government Management of Tourism-A Thai Case Study*', *Tourism Management*, 8,3, pp.223-232
- Fakeye, P. C., and Crompton, J.L. 1991, '*Image Differences between Prospective, First-time and Repeat Visitors to the Lower Rio Grande Valley*', *Journal of Travel Research* 1991-02
- Gang Xu 1999, *Tourism and Local Economic Development in China*, Richmond Curzon
- Gee, Chuck Y. 1982, '*The First China International Travel Conference*', *Annals of Tourism Research* 1982-09
- Gee, Chuck Y. 1989, *the Travel Industry*, Van Nostrand Reinhold, New York
- Greenberg, G.D., Miller, J.A., Mohr, L.B. and Vladeck, B.C., 1977, '*Developing Public Policy Theory-Perspective from Empirical Research*', *American Political Science Review*, 71(4): 1532-1543
- Greenwood, J., Willams, A.M. and Shaw, G., 1990, '*Policy Implementation and Tourism in the UK: Implications from Recent Tourism Research in Cornwall*', *Tourism Management*, 11(1):53-62
- Greg Richards and Julie Wison, 2004, *Tourism and cultural change: the Global Nomad: backpacker Travel in Theory and Practice*, Clevedon (England): Channel View Publications Buffalo (N.Y.)
- Gunn C, 1994, *Tourism Planning*, Taylor & Francis, New York
- Gunn, C.A , *Industry pragmatism vs tourism planning*, *Leisure Science*, 1977-10(1): 85-94
- Hall Colin Michael, 1994, *Tourism and Politics Policy, Power and Place*, John Wiley & Sons
- Hall Colin Michael, 2000, *Tourism Planning Policies, Processes and Relationships*, Harlow: Pearson Education
- Hall, C.M., 1991, *Introduction to Tourism in Australia: Impacts, Planning and Development*, Longman Cheshire, South Melbourne
- Hall, D. R., 1984, '*Foreign tourism under socialism: the Albanian 'Stalinist' Model*', *Annals of Tourism Research*, 11 (4): 539-55
- Hall, D.R., (eds.) 1991a, *Tourism and Economic Development in Eastern Europe and the Soviet Union*, Belhaven Press, London
- Hall, D. R., 1991b, *Tourism and Economic Development in Eastern Europe and the Soviet Union*, Belhaven Press, London, pp.3-28
- Hall, D. R., 1991c, *Eastern Europe and the Soviet Union: Overcoming Tourism constraints*, in D.R Hall (ed.), *Tourism and Economic Development in Eastern Europe and the Soviet Union*, Belhaven Press, London, pp.49-78
- Hall, D.R., 1990, '*Eastern Europe Opens its Doors*', *Geographical Magazine*, 1990-April, pp.10-15
- Hall.C. Michael, 2006, *Tourism and Global Environmental Change: Ecological, Social, Economic and Political Interrelationship*. London: Routledge
- Hamilton-Smith, E. 1987, '*Four kinds of Tourism*', *Annals of Tourism Research* 1987-06

References

- Harding, Harry 1982, 'From China with Disdain: *New Trends in the Study of China*', Asian Survey, 1982-10
- Harrison David, 1992, *International Tourism and the Less Developed Counties: the Background, from Tourism & the Less Developed Counties*, John Wiley & Sons
- Harrison David, 1997, *Tourism and the Less Developed Countries*, John Wiley & Sons
- Holt, R.T. and Turner, J.E., 1974, 'The Scholar as Artisan', Policy Science, 5: 257-270
- IUOTO, 1974, 'The Role of the State in Tourism', Annals of Tourism Research, 1(3): 66-72
- J.R.Brent Ritchie, 1994, *Travel, Tourism and Hospitality Research*, Wiley, New York
- Jansen-Verbeke, M., 1989, 'Inner Cities and Urban Tourism in the Netherlands: New Challenges for Local Authorities, in P. Bramham', from I. Henry, H. Mommaas and H. van der Poel (eds.), 'Leisure and Urban Processes: Critical Studies of Leisure Policy in Western European cities', Routledge, London and New York, pp.233-253
- Jenkins, W.I., 1978, *Policy Analysis: a Political and Organizational Perspective*, St. Metin's Press, New York
- Jennings Gayle, 2001, *Tourism Research*, John Wiley & Sons Australia, Ltd
- John Bryan Starr, 2001, 'Understanding China', Hill and Wang A division of Farrar, Straus and Giroux 19 Union Square West, New York
- John Valton, 1993, 'Tourism and economic development in ASEAN' in Michael Hitchcock, Victor T. King and Michael J.G. Parnwell (ed.), 1993, 'Tourism in South-East Asia', Routledge, London
- Josiam, B. & hobson, P, 1995, 'Consumer Choice in Context: The Decoy Effect in Travel and Tourism', Journal of Travel Research 1995
- Julie Jie Wen, Clement A Tisdell, 2001, *Tourism and China's Development---Policies, Regional Economic Growth and Ecotourism*, World Science Publishing Co. Pte. Ltd
- Knight Jane, 1997, 'Internationalization of Higher Education: A Conceptual Framework' from Jane Knight and Hans deWit (Eds.) 'Internationalization of Higher Education in Asia Pacific Countries', Amsterdam: European Association for International Education.
- Kraus, Richard C, 1981, *Class Conflict in Chinese Society*, Columbia University Press, New York
- L.J. Lickorish, 1958, *the Travel Trade*, London.
- Lamb, A.N., 1988, 'Tourism Development and Planning in Australia-the Need for a National Strategy', International Journal of Hospitality Management, 7(4): 353-361
- Lea, John P, 1988, *Tourism and Development in the Third World*, Routledge, New York
- Leonard Lickorish, Allan Jefferson and Carson J.Jenkins, 1991, *Developing Tourism*
- Levin, J. S. 2001, *Public Policy, Community Colleges and the Path to Globalization*, Higher Education 42(2), 237-261
- Liang Heng and Shapiro Helen, 1985, *International Freedom in China: an Update, a Report of Asia Watch Committee*, New York
- Linda K. Richter, 'Tourism & the Less Developed Countries' from 'Political Instability and Tourism in the Third World' (ed. David Harrison, John Wiley & Sons, 1992), pp.34-46

- Lyden, F.J., Shipman, G.A. and Kroll, M. (eds.), 1969, *Polices, Decisions and Organizations*, Appleton-Century-Crofts, New York
- Majone, G., 1980a, 'The Uses of Policy Analysis, in B.H. Raven (ed.)', Policy studies review annual, vol 4, Sage, Beverly Hills, pp.161-180
- Majone, G., 1980b, 'An Anatomy of Pitfalls' from 'Pitfalls of Analysis, International Institute for Applied Systems Analysis (eds. John G. Majone and E.S Quade), Wiley and Sons, Chichester, pp.7-22
- Majone, G., 1981, 'Polices as Theories' from *Policy Studies Review Annual I*. L. Horowitz (ed.), vol.5, Sage, Beverly Hills, pp.15-26
- Majone, G., 1989, *Evidence, Argument and Persuasion in the Policy Process*, Yale University Press, New Haven and London
- Marginson, S. 2002, 'Nation-Building Universities in a Global Environment', Higher Education, 43(3), 409-428
- Matthews, H. 1977. 'Radicals and Third World Tourism: A Caribbean Focus'. *Annals of Tourism Research* 1977-03
- McKercher, B., 1993, 'Some Fundamental Truths about Tourism: Understanding Tourism's Social and Environmental Impacts', *Journal of Sustainable Tourism*, 1(1): 6-16
- Michael Hitchcock, Victor T. King and Michael J.G. Parnwell (eds.), 1993, 'Tourism in South-East Asia', Routledge, London
- Michael Joseph, 1983, *A Visitor's Guide to China*, Morrell, Elizabeth. London
- Mill, R.C. and Morrison, A.M., 1985, *the Tourism System: an Introductory Text*, Prentice-Hall International, Englewood Cliffs
- Mowlana, H. and Smith, G., 1990, 'Tourism, Telecommunications and Transnational Banking: a Framework for Policy Analysis', *Tourism Management*, 11 (4): 315-324
- Niininen, O., and Riley, M. 1998, 'Repeat Tourism, Paper presented at the Australia and New Zealand Marketing Academy Conference', November 29 - December 3, 1998, University of Otago, New Zealand 1998-03
- O'Grady. Ron, 1982, *Tourism in the Third World*, Maryknoll, NY: Orbis books
- Ostrom, V., 1976, 'Language, Theory, and Empirical Research in Policy Analysis, in P.M. Gregg (ed.) *Problems of Theory in Policy Analysis*', Lexington Books, Lexington, pp.6-18
- Ostrom, V., 1977, 'Some Problems in Doing Political Theory: a Response to Golembiewski's 'Critique'', *American Political Science Review*, 71(4): 1508-1525
- Ostrom, V., 1982, 'The Theory and Practice of Public Administration as a Science of the Artifact', from J.A. Uverges, Jr. (ed.) 'Public Administration History and Theory in Contemporary Perspective', Marcel Dekker, New York, pp.39-53
- Pearce Douglas G, 1989, *Tourist Development*, Longman Scientific & Technica, New York
- Philip L, 1982, *the Social Psychology of Tourist*, Pergamon Press, New York
- Poynter James M, 1973, *How to Research and Write a Thesis in Hospitality and Tourism*, Wiley, New York
- Qian Wei, 'Travel Agencies in China at the Turn of the Century', www.newtourist.net August, 20, 2000
- R.N Ghosh, M.A.B. Siddique and R. Gabbay, 2003, *Tourism and Economic Development-Case studies from the Indian Ocean Region*, Athenaeum Press

References

- Ravets, J.R., 1973, *Scientific Knowledge and its Social Problems*, Penguin, Harmondsworth
- Reilly, Robert T, 1988, *Travel and Tourism Marketing Techniques*, Delmar Publisher, Albany
- Richter, L.K., 1989, *the Politics of Tourism in Asia*, University of Hawaii Press, Honolulu
- Richter, Linda K., 1983, 'The Political Implications of Chinese Tourism Policy', *Annals of tourism Research* 1983-10
- Sabatier, P.A., 1991, *Public Policy: Toward better Theories of the Policy Process*, in W. Crotty (ed.), *Comparative Politics, Policy, and International Relations*, Northwestern University Press, Evanston, pp.265-291
- Salah Wahab and Chris Cooper, 2003, 'Tourism in the Age of Globalization', Routledge, London and New York
- Samagalski Alan, 1984, *China: A Travel Survival*, Loely Planed, Victoria.
- Smith, Stephen, 1989, *Tourism Analysis a Handbook*, Harlow: Longmain
- Smyth, R, 1986, 'Public Policy for Tourism in Northern Ireland', *Tourism Management*, June: 120-126
- Susan Strange, 1994, *States and Markets*, a Cassell Imprint Wellington House
- Taylor, P., 1991, *Tourism Slump over Gulf War Extends to Thailand*, *Financial times*, 6 February
- Timothy Dallen J, 2001, *Tourism and Political Boundaries*, London, Routledge
- Tourism and Economic Development European Experiences*, 1998, Chichester: Wiley
- Tourism and Global Environmental Change Ecological, Social, Economic, and Political Interrelationship*, 2006, London, Routledge
- Tourism and the Less Developed World: Issue and Case Studies*, 2001. New York, CABJ. Pub
- Tourism Critical Concepts in the Social Ssciences Vol. 1, the Nature and Structure of Tourism*, 2005, London, Routledge
- Wang Lianyi, 1996, *China tourism: 999 Questions and Answers*, People's China publishing house, Beijing.
- Wang Yuan, 2003, *China Business Culture: strategies for success*, Longon Thorogood
- William Revill Kerr, 2003, *Tourism Public Policy and the Strategic Management of Failure*, Pergamon
- Williams, A.M. and Shaw, G. (eds.), 1988, *Tourism and Economic Development: Western European Experiences*, Belhaven Press, London
- Williams, D.R., Schreyer, R. & Knopf, R.C, 1990, 'The Effect of the Experience Use History on the Multidimensional Structure of Motivations to Participate in Leisure Activities', *Journal of Leisure Research* 1990-01
- Youell Ray, 1998, *Tourism: an introduction*. Harlow Longman